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YGM TRADING LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

VOLUNTARY ANNOUNCEMENT

This voluntary announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

On 1 May 2012, the Buyer (a wholly owned subsidiary of the Company) entered into the Exclusivity Agreement with the Seller (in administration) and its administrators pursuant to which the Buyer has been granted the Exclusivity Period to negotiate the terms of a sale and purchase agreement and ancillary documentation in connection with the Transaction in consideration of the payment of a non refundable deposit.

This voluntary announcement is made by YGM Trading Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 1 May 2012, a wholly owned subsidiary of the Company, Aquascutum International Licensing Limited (the “**Buyer**”) entered into an exclusivity agreement (“**Exclusivity Agreement**”) with Aquascutum Limited (in administration) (the “**Seller**”) and its administrators pursuant to which the Buyer has been granted an exclusivity period to negotiate the terms of a sale and purchase agreement and ancillary documentation in connection with the potential sale and purchase of the business and assets of the Seller.

EXCLUSIVITY AGREEMENT

Date : 1 May 2012
Parties : Aquascutum Limited (in administration) as the seller;
Geoffrey Paul Rowley and Philip Lewis Armstrong as administrators; and
Aquascutum International Licensing Limited as the buyer.

Exclusivity Period

Pursuant to the Exclusivity Agreement, during the period commencing on 1 May 2012 and ending at 5:00 p.m. (London time) on 9 May 2012 (the “**Exclusivity Period**”)

Business and Assets

The business and assets of the Seller which the Exclusivity Agreement relates to include but not limited to the following (“**Business and Assets**”):

- (i) all of Seller’s intellectual property rights, software and the benefit of any intellectual property or software licenses;
- (ii) the goodwill of the Seller, including the benefit of customer and supplier contracts, UK concession arrangements and any arrangements with any material customers of the business with whom there are no formal written agreements, together with any names or styles owned or used by Seller;
- (iii) tangible assets and chattels owned by the Seller, including stock, work in progress, materials, consumables, physical archives and memorabilia;
- (iv) computer servers and associated equipment plus office furniture and equipment located at the

- premises occupied by the Seller, other than the manufacturing facility located at Corby, Northamptonshire, the United Kingdom; and
- (v) all of the Seller's existing business.

Seller's Obligation

During the Exclusivity Period, the Seller agrees to:

- (i) discontinue all discussion with any third parties, other than the Buyer and its professional advisers, in relation to any potential sale, purchase or other acquisition by any other party of any right, title or interest in the Business and Assets;
- (ii) not to engage in any discussion or provide any information to any third party, other than the Buyer and its professional advisers, whether directly or indirectly in relation to any potential sale, purchase or other acquisition of any right, title, or interest in the Business and Assets and will not solicit any other party in relation to any such sale, purchase or acquisition; and
- (iii) instruct the Seller's solicitors promptly to dispatch the draft sale and purchase agreement and ancillary documentation relating the proposed sale of the Business and Assets (the "**Transaction**") and to deal with all negotiations and discussions in a prompt manner.

Buyer's obligations

Under the Exclusivity Agreement, the Buyer shall:

- (i) pay a non refundable deposit of £500,000 by 2 May 2012. The deposit shall be deducted from the consideration payable on the completion of the Transaction;
- (ii) confirm that the Company has obtained majority shareholder approval for the Transaction; and
- (iii) instruct the Buyer's solicitors promptly to review the draft sale and purchase agreement and all ancillary documentation relating to the Transaction and to deal with all negotiations and discussions in a prompt manner.

In the event of a breach by the Seller of any of its obligations under the Exclusivity Agreement, the Seller shall forthwith on demand return the deposit in full to the Buyer.

The Transaction may or may not proceed, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
YGM Trading Limited
Chan Wing Fui Peter
Chairman

Hong Kong, 2 May 2012

As at the date of this announcement the Board comprises seven Executive Directors, namely Dr. Chan Sui Kau, Mr. Chan Wing Fui Peter, Mr. Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley, Mr. Fu Sing Yam William, Mr. Chan Wing Kee and Mr. Chan Wing To; and three Independent Non-executive Directors, namely Mr. Leung Hok Lim, Mr. Lin Keping and Mr. Sze Cho Cheung Michael.