

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

YANGTZEKIANG GARMENT LIMITED

(incorporated in Hong Kong with limited liability)
(Stock Code: 00294)

YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)
(Stock Code: 00375)

**JOINT ANNOUNCEMENT
UPDATE ON THE PLANNING APPLICATIONS IN RELATION TO
THE SITES OWNED BY THE COMPANIES**

This announcement is jointly made by Yangtzekiang Garment Limited and YGM Trading Limited (collectively the “**Companies**”). The purpose of this announcement is to keep the shareholders and potential investors of the Companies informed of the latest development of planning applications of certain sites owned by the Companies.

BACKGROUND

Reference is made to the joint announcements of the Companies dated 10 August 2004 and 23 September 2004, in which the Companies announced that they had received approval and permission from the Town Planning Board of Hong Kong on 13 August 2004 in respect of the applications for planning permission to use the following sites (the “**Sites**”) for hotel development:

<u>Location</u>	<u>Area</u>	<u>Owner</u>
20 Tai Yau Street, San Po Kong, Kowloon, Hong Kong	485.21 m ²	Luk Hop Garments Limited (a wholly-owned subsidiary of YGM Trading Limited)
22-24 Tai Yau Street, San Po Kong, Kowloon, Hong Kong	1,940.84 m ²	Yangtzekiang Garment Limited

Currently, the principal offices, factories and warehouses of the Companies are situated on the Sites.

UPDATE ON THE PLANNING APPLICATIONS

The aforesaid approval and permission from the Town Planning Board (as renewed in June 2008) ceased to have effect on 30 July 2010 as the Companies did not commence the development of the Sites within the prescribed period.

On 15 February 2012, the Companies re-submitted applications to the Town Planning Board for planning permission to use the Sites for hotel development. On 20 July 2012, the Town Planning Board granted the approval and permission to the Companies in respect of the applications, the approval and permission of which were substantially similar to those granted in 2008.

The Companies are currently in discussion with the relevant government departments on the terms and conditions of the new government leases to permit hotel uses of the Sites, and a number of issues remain outstanding. The Government has yet to offer the basic development terms or the amount of additional premium payable, hence the directors of the Companies are unable to make any estimate in this regard. No capital commitments have been made by the Companies in this connection.

While the directors of the Companies are considering different possibilities to unlock the potential value of the Sites, they have not yet decided on or formulated any specific plan to rebuild or redevelop the Sites, nor have the Companies entered into any negotiation or agreement with any person (save for the discussion with the relevant government departments as stated above) or made any capital commitment in connection thereof. Accordingly, the rebuilding or redevelopment of the Sites may or may not proceed. The Companies will make announcement in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) when appropriate.

The shareholders and potential investors of the Companies are advised to exercise caution when dealing in the shares of the Companies.

By order of the board of directors
Yangtzekiang Garment Limited
Chan Wing Fui Peter
Vice Chairman

By order of the board of directors
YGM Trading Limited
Chan Wing Sun Samuel
Vice Chairman

Hong Kong, 8 October 2014

As at the date of this announcement, the board of directors of Yangtzekiang Garment Limited comprises eight executive directors, namely Dr. Chan Sui Kau, Mr. Chan Wing Fui Peter, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man, Mr. Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Mr. So Ying Woon Alan, and four independent non-executive directors, namely Mr. Leung Hok Lim, Mr. Lin Keping, Mr. Sze Cho Cheung Michael and Mr. Choi Ting Ki.

As at the date of this announcement, the board of directors of YGM Trading Limited comprises eight 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, Mr. Chan Wing To and Mr. Andrew Chan, and four independent non-executive directors, namely Mr. Leung Hok Lim, Mr. Lin Keping, Mr. Sze Cho Cheung Michael and Mr. Choi Ting Ki.