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YGM TRADING LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

MAJOR TRANSACTION: SALE OF PROPERTY

MAJOR TRANSACTION

On 12 March 2012 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Provisional Agreement for the sale and purchase of the Property at a consideration of HK\$439,800,000.

As one or more of the relevant percentage ratios in respect of the Sale is more than 25% but less than 75%, the Sale constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Sale is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. A circular containing, among others, details of the Sale and further information of the Group is expected to be despatched to the Shareholders on or before 3 April 2012.

As no Shareholder has a materially different interest in the Sale, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and as the Company will obtain a written approval of the Sale from a closely allied group of Shareholders who collectively hold 88,804,982 Shares in the Company, representing approximately 54.02% of the issued share capital of the Company, pursuant to Rule 14.44 of the Listing Rules, the Company is not required to convene a general meeting for approving the Sale.

THE PROVISIONAL AGREEMENT

Date of the agreement: 12 March 2012 (after trading hours)

Parties to the agreement:

Vendor: Aramis International Limited, a wholly-owned subsidiary of the Company

Purchaser: Everchamp Properties Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the principal activity of the Purchaser is property investment and (ii) the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Sale

The Purchaser agrees to purchase the Property subject to and with the benefit of the existing tenancy agreement. Details of the tenancy agreement had been disclosed in the Company's announcement dated 6 January 2012.

The Vendor shall prove title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong).

Consideration

The consideration of HK\$439,800,000 for the Property shall be payable by the Purchaser to the Vendor in the following manner:

- (1) an initial deposit in the sum of HK\$12,000,000 shall be paid to the Vendor upon signing of the Provisional Agreement;
- (2) a further deposit in the sum of HK\$31,980,000 shall be paid to the Vendor on or before 30 March 2012; and
- (3) the balance of the Consideration of HK\$395,820,000 shall be paid to the Vendor upon completion of the Sale.

Basis of determining the Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to recent transaction prices of properties of similar nature located in the vicinity of the Property as provided by property agents.

Failure to perform

If for any cause (other than the Vendor's default or due to the non-satisfaction of condition precedent) the Purchaser shall fail to complete the purchase of the Property in accordance with the terms of the Provisional Agreement, then all deposits already paid by the Purchaser shall be absolutely forfeited to the Vendor who may (without tendering an assignment to the Purchaser) rescind the Sale and resell the Property and any deficiency in price and all reasonable expenses attending such resale shall be recoverable by the Vendor from the Purchaser. Any increase in price realized by such resale shall belong to the Vendor.

If the Vendor shall (other than owing to the default of the Purchaser or due to the non-satisfaction of condition precedent) fail to complete the sale of the Property in accordance with the terms of the Provisional Agreement, the Vendor shall refund the said initial and/or the further deposits paid to the Purchaser and the Purchaser shall be entitled to claim damages against the Vendor.

Either the Vendor or the Purchaser may bring an action and obtain a decree for specific performance of the Provisional Agreement either in lieu of or in addition to damages as the innocent party may sustain by reason of the breach by the other party.

Condition precedent

Completion of the sale and purchase of the Property is subject to and conditional upon obtaining the approval from the majority of the Shareholders in relation to the Sale on or before 21 June 2012, being 5 Business Days prior to the date of completion.

Completion

The formal agreement for sale and purchase shall be executed on or before 30 March 2012 (before 5:00 p.m.) and completion of the Sale shall take place on or before 28 June 2012 (before 5:00 p.m.) by way of solicitors' cross undertakings.

INFORMATION ON THE GROUP

The principal businesses of the Group are manufacturing, retail and wholesale of world-renowned apparel and accessories, licensing of trademarks, printing and related services and property rental.

POSSIBLE FINANCIAL EFFECT OF THE SALE

Based on the book value of the Property (being HK\$59,236,000 as at 31 January 2012), it is expected that the Company will realise a gain from the Sale of approximately HK\$380,000,000 (not taking into account fees and expenses in connection with the Sale).

As disclosed in the Company's announcement dated 6 January 2012, the Property was previously used and occupied by the subsidiaries of the Company. It was later leased to the existing tenant pursuant to a tenancy agreement dated 6 January 2012 and the term of the tenancy commenced on 20 February 2012. The Property did not generate any profits during the last two financial years and as such no information relating to the net profits attributable to the Property for the two financial years immediately preceding the Sale is disclosed in this announcement.

REASONS FOR AND BENEFITS OF THE SALE

With the favourable investment and property market conditions, the Directors are of the view that the Sale represents a good opportunity for the Group to realise its investment in the Property at attractive return.

The Directors (including independent non-executive Directors) consider that the Provisional Agreement is entered into after arm's length negotiations and the terms therein are in accordance with the normal practice in the property market and the Sale is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The Company intends to use the net sale proceeds from the Sale for general working capital.

IMPLICATIONS OF THE LISTING RULES

As one or more of the relevant percentage ratios in respect of the Sale are more than 25% but less than 75%, the Sale constitutes a major transaction for the Company under Chapter 14 of

the Listing Rules. The Sale is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. A circular containing, among others, details of the Sale and further information of the Group is expected to be despatched to the Shareholders on or before 3 April 2012.

As no Shareholder has a materially different interest in the Sale, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and as the Company will obtain a written approval of the Sale from a closely allied group of Shareholders who collectively hold 88,804,982 Shares in the Company, representing approximately 54.02% of the issued share capital of the Company, pursuant to Rule 14.44 of the Listing Rules, the Company is not required to convene a general meeting for approving the Sale. Information of the closely allied group of Shareholders are as follows:

Name of beneficial shareholder	Relationship among the shareholders	No. of ordinary shares of the Company beneficially interested	Approximate percentage of total issued share capital of the Company as of the date of the written approval
Chan Sui Kau ("SK Chan")	-	6,875,092	4.18%
Chan Wing Fui Peter	Son of SK Chan and the brother of Chan Wing Sun Samuel and Chan Suk Ling Shirley	1,024,068	0.62%
Chan Wing Sun Samuel	Son of SK Chan and the brother of Chan Wing Fui Peter and Chan Suk Ling Shirley	15,017,216	9.13%
Chan Suk Ling Shirley	Daughter of SK Chan and the sister of Chan Wing Fui Peter and Chan Wing Sun Samuel	6,617,544	4.03%
Fu Sing Yam William	Nephew of SK Chan	1,475,462	0.90%
Chan Wing Kee	Nephew of SK Chan and the brother of Chan Wing To	9,346,776	5.69%
Chan Wing To	Nephew of SK Chan and the brother of Chan Wing Kee	8,998,736	5.47%

Chan Family Investment Corporation Limited	Company owned by members of the Chan Family comprising Messrs SK Chan, Chan Wing Fui Peter, Chan Wing Sun Samuel, Fu Sing Yam William, Chan Wing Kee and Chan Wing To and Madam Chan Suk Ling Shirley	34,932,700	21.25%
Hearty Development Limited	Company owned by the Chan Family comprising Messrs Chan Wing Fui Peter, Chan Wing Sun Samuel, Chan Wing Kee and Chan Wing To and Madam Chan Suk Ling Shirley	2,920,388	1.78%
Super Team International Limited	Company owned by the Chan Family comprising Messrs Chan Wing Kee and Chan Wing To	1,597,000	0.97%
	Aggregate	88,804,982	54.02%

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

- “Board”** the board of Directors
- “Business Day”** a day on which The Hongkong and Shanghai Banking Corporation Limited is open for business, excluding Saturdays, Sundays and public holidays
- “Company”** YGM Trading Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
- “connected person(s)”** has the meaning ascribed to it under the Listing Rules
- “Consideration”** the total consideration payable by the Purchaser to the Vendor for the Sale
- “Director(s)”** the director(s) of the Company

“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Shop Nos. G29 & G30 on Ground Floor and Shop No. 15 on the First Floor of Site D, Park Lane Shopper’s Boulevard, Nos. 111-139, 143-161 & 165-181 Nathan Road, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 12 March 2012 entered into between the Vendor and the Purchaser in relation to the Sale
“Purchaser”	Everchamp Properties Limited, a company incorporated in Hong Kong with limited liability
“Sale”	the sale of the Property by the Vendor to the Purchaser
“Shareholders”	holders of Shares
“Shares”	ordinary shares of HK\$0.50 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Aramis International Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board
YGM TRADING LIMITED
Chan Wing Sun Samuel
Vice Chairman

Hong Kong, 12 March 2012

As at the date of this announcement, the board of directors of the Company 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.