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YGM TRADING LIMITED

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

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of YGM Trading Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 November 2018 regarding a discloseable transaction involving the disposal of a shop premises in Macau (the “**Property**”) and the announcement dated 13 November 2018 in relation to the change in the transaction structure to the disposal of the entire issued share capital of Squash International Limited (“**Squash International**”), being the holding company of the Property (together the “**Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

In addition to the information disclosed in the Announcements, the Company would like to provide the shareholders of the Company and the market with the additional information below:

INFORMATION ON SQUASH INTERNATIONAL

Squash International is a wholly-owned subsidiary of the Company which has no business operations except the holding of the Property and the collection of rent derived therefrom.

For the year ended 31 March 2018, the audited net profit before taxation and extraordinary items and the audited net profit after taxation and extraordinary items of Squash International were approximately HK\$1,956,000 and HK\$1,454,000 respectively.

For the year ended 31 March 2017, the audited net profit before taxation and extraordinary items and the audited net profit after taxation and extraordinary items of Squash International were approximately HK\$705,000 and HK\$633,000 respectively.

The audited total asset value and net asset value of Squash International as at 31 March 2018 were approximately HK\$88,202,000 and HK\$85,840,000 respectively.

Upon completion, Squash International will cease to be a wholly-owned subsidiary of the Company and the Company will cease to have any interest in Squash International. The financial results of Squash International will no longer be consolidated into the Group’s financial statements.

THE CONSIDERATION

Pursuant to the Provisional Agreement and the Second Agreement, the consideration of HK\$220,000,000 would be settled by cash.

As Squash International's only asset is the Property, the consideration for the disposal of the entire issued share capital of Squash International was arrived at after arm's length negotiation between the parties having considered the market value of the shop premises nearby.

By Order of the Board
YGM TRADING LIMITED
Chan Wing Sun, Samuel
Chairman

Hong Kong, 15 November 2018

As at the date of this announcement, the Board comprises seven executive Directors, namely Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley, Mr. Fu Sing Yam, William, Mr. Andrew Chan, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Kee and Mr. Chan Wing To, and four independent non-executive Directors, namely Mr. Lin Keping, Mr. Choi Ting Ki, Mr. So Stephen Hon Cheung and Mr. Li Guangming.