

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 DEVELOPMENT PROPOSALS
OF CERTAIN SITES OWNED BY THE COMPANIES**

This announcement is jointly made by Yangtzekiang Garment Limited and YGM Trading Limited (collectively the “Companies”).

Reference is made to the joint announcements of the Companies dated 10 August 2004, 23 September 2004, 8 October 2014 and 2 February 2016 in relation to, among other things, the proposed redevelopment of certain sites owned by the Companies. The purpose of this announcement is to update the shareholders and potential investors of the Companies an update on the development proposals.

Capitalised terms used in this announcement shall have the same meanings as defined the announcement dated 2 February 2016.

UPDATE ON THE DEVELOPMENT PROPOSALS OF THE SITES

The boards of directors of the Companies hereby announce that the Companies have decided not to pursue the proposed redevelopment of the Sites for hotel uses after considering the costs and benefits of the proposal, and have withdrawn the applications for land exchange to permit hotel uses of the Sites.

On the other hand, the Companies are still exploring the feasibility of rebuilding the industrial building on the Sites. However, the directors of the Companies have not yet decided on whether and when such rebuilding proposal shall be implemented.

The Companies will continue to evaluate the various possibilities to unlock the potential value of the Sites, and 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 Futures 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
Chairman

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

Hong Kong, 13 September 2016

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 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. Leung Hok Lim, Mr. Lin Keping, Mr. Sze Cho Cheung, Michael and Mr. Choi Ting Ki.