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## **YGM TRADING LIMITED**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 00375)**

### **PROFIT WARNING**

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of YGM Trading Limited (the “Company”, together with its subsidiaries and associates, the “Group”) wishes to inform the shareholders and potential investors of the Company that the Group is expected to record a loss after taxation for the year ending 31 March 2016 despite the one-off gain from the disposal of YGM Clothing Limited (details of which are set out in the circular of the Company dated 21 August 2015) as compared to a profit after taxation of approximately HK\$82.7 million for the year ended 31 March 2015. The decline in profit is mainly attributable to (i) the significant decrease in sales in the retail and wholesale of branded garments, leather goods and accessories caused by a decline in the retail markets in which the Group operates, particularly in Hong Kong and China; (ii) rental and other occupancy expenses continued to suppress the aforesaid segment’s profitability during the year, particularly in Hong Kong; and (iii) the incurrence of the one-off legal and professional expenses of approximately HK\$9.2 million (2015: HK\$4.6 million) in respect of the proposed spin-off and separate listing of the Group’s printing business on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited during the year. Although the Company recorded a net valuation gain of HK\$45.0 million on the Group’s investment properties for the year ended 31 March 2015, the impact of such valuation for the year ending 31 March 2016 remains to be ascertained until the finalisation of the Company’s audited results for the same period.

The information contained in this announcement is solely based on the information currently available and the preliminary review by the Group’s management of the unaudited sales and other financial information of the Group for the 11 months ended 29 February 2016, which are subject to finalisation and necessary adjustments and have not yet been audited, confirmed or reviewed by the Company’s independent auditor or its audit committee. Therefore, the actual consolidated results of the Group for the year ending 31 March 2016, which are expected to be released by the end of June 2016, may differ from the information contained in this announcement. Shareholders and potential investors of the Company are therefore advised to peruse the results with care when the results announcement is released.

**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 Sun Samuel**  
*Chairman*

Hong Kong, 24 March 2016

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