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YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

(1) RESIGNATION AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR; AND (2) CHANGE OF MEMBERS OF BOARD COMMITTEES

The Board announces that, with effect from 2 January 2018:

- (1) Mr. Sze Cho Cheung, Michael has resigned as an independent non-executive Director;
- (2) Mr. Li Guangming has been appointed as an independent non-executive Director; and
- (3) Mr. Lin Keping has been appointed as the chairman of the remuneration committee of the Company; Mr. Li Guangming has been appointed as a member of the remuneration committee, the nomination committee and the audit committee of the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of YGM Trading Limited (the “**Company**”) announces that Mr. Sze Cho Cheung, Michael has resigned as an independent non-executive Director and Mr. Li Guangming has been appointed as an independent non-executive Director of the Company with effect from 2 January 2018.

(1) Resignation and appointment of independent non-executive Director

Mr. Sze Cho Cheung, Michael has resigned as an independent non-executive Director with effect from 2 January 2018.

Mr. Sze has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company and The Stock Exchange of Hong Kong Limited.

The Board would like to take this opportunity to express its gratitude to Mr. Sze for his valuable contribution to the Company during his tenure of service.

With effect from 2 January 2018, Mr. Li Guangming has been appointed as an independent non-executive Director.

Mr. Li, aged 65, has over 40 years’ experience in the cotton textile industry. He was appointed as deputy chief of No. 1 Cotton Textile Factory of Wuxi City* (無錫市第一棉紡織廠) in July 1984 and chief of factory in February 1991. He has held various positions in Wuxi City Guolian Development (Group) Company Limited* (無錫市國聯發展(集團)有限公司) and its subsidiaries. Among other things, he was appointed as the general manager of Wuxi Guolian Textile Group Company Limited* (無錫國聯紡織集團有限公司) (now known as Wuxi No.1 Cotton Textile Group Company Limited* (無錫一棉紡織集團有限公司)) in October 2005,

and subsequently served as the chairman of its board until December 2014.

Mr. Li graduated from Wuxi Professional University* (無錫職業大學) (now known as Jiangnan University (江南大學)) and was a member of the Standing Committee of Wuxi Municipal People's Congress of the People's Republic of China.

Save as disclosed above, as at the date of this announcement, Mr. Li does not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company and does not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Save as disclosed above, as at the date of this announcement, Mr. Li does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Li's appointment as an independent non-executive Director has no specific term, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Under Mr. Li's appointment letter with the company, he is entitled to an annual director's fee of HK\$110,000. The remuneration package of Mr. Li was determined by the Board on recommendation of the remuneration committee of the Company with reference to his experience, duties and responsibilities, time commitment and the prevailing market conditions.

Save as disclosed above, there are no other matters relating to Mr. Li's appointment that need to be brought to the attention of the shareholders of the Company nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

(2) Change of members of board committees

Mr. Lin Keping has been appointed as the chairman of the remuneration committee of the Company with effect from 2 January 2018.

Mr. Li Guangming has been appointed as a member of the remuneration committee, the nomination committee and the audit committee of the Company, all with effect from 2 January 2018.

By Order of the Board
YGM TRADING LIMITED
Leung Wing Fat
Company Secretary

Hong Kong, 2 January 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.

** The English translation of the Chinese names or words in this announcement, where indicated, is included for identification purpose only, and should not be regarded as the official English translation of such Chinese names or words.*