

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in YGM Trading Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.

---

**YGM TRADING LIMITED**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 00375)**

**PROPOSALS RELATING TO  
RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,  
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the AGM of the Company to be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong at 2:15 p.m. on Wednesday, 17 September 2014 is set out on pages 14 to 16 of this circular. A form of proxy for use at the AGM is also enclosed.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

25 July 2014

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
Introduction .....	3
Re-election of Directors .....	3
General Mandates to Issue and Buy Back Shares .....	4
Adoption of the New Articles of Association .....	4
Annual General Meeting .....	5
Responsibility Statement .....	5
Recommendation .....	5
General .....	5
<b>Appendix I – Explanatory Statement on the Buy-back Mandate</b> .....	6
<b>Appendix II – Information of the Directors to be Re-elected</b> .....	8
<b>Appendix III – Explanatory Statement on the Adoption of the New Articles of Association</b> .....	12
<b>Notice of Annual General Meeting</b> .....	14

---

## DEFINITIONS

---

*In this circular including the Appendices, the following expressions shall, unless the context requires otherwise, have the following meanings:*

<b>“AGM”</b>	the annual general meeting of the Company to be held at 2:15 p.m. on Wednesday, 17 September 2014 at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong, notice of which is set out on pages 14 to 16 of this circular, or any adjournment thereof;
<b>“Articles of Association”</b>	the articles of association of the Company as amended from time to time;
<b>“Board”</b>	the board of Directors;
<b>“Buy-back Mandate”</b>	as defined in the second paragraph in the section headed “General Mandates to Issue and Buy Back Shares” in the Letter from the Board on page 4 of this circular;
<b>“close associate(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Companies Ordinance”</b>	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
<b>“Company”</b>	YGM Trading Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
<b>“core connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Director(s)”</b>	the director(s) of the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Issue Mandates”</b>	as defined in the second paragraph in the section headed “General Mandates to Issue and Buy Back Shares” in the Letter from the Board on page 4 of this circular;
<b>“Latest Practicable Date”</b>	21 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Main Board”</b>	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange;
<b>“New Articles of Association”</b>	the new articles of association of the Company proposed to be adopted at the AGM;
<b>“Predecessor Companies Ordinance”</b>	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) effective before 3 March 2014;
<b>“Retiring Directors”</b>	the Directors who will retire from the Board by rotation at the AGM, namely, Dr. Chan Sui Kau, Madam Chan Suk Ling, Shirley, Mr. Chan Wing To and Mr. Leung Hok Lim;

---

## DEFINITIONS

---

<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
<b>“Share(s)”</b>	ordinary share(s) in the share capital of the Company;
<b>“Shareholder(s)”</b>	holder(s) of the Share(s);
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited; and
<b>“%”</b>	per cent.

---

## LETTER FROM THE BOARD

---

# YGM TRADING LIMITED

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

*Executive Directors:*

Chan Sui Kau (*Honorary Chairman*)  
Chan Wing Fui, Peter (*Chairman*)  
Chan Wing Sun, Samuel (*Vice Chairman*)  
Chan Suk Ling, Shirley (*Chief Executive Officer*)  
Fu Sing Yam, William (*Managing Director*)  
Chan Wing Kee  
Chan Wing To  
Andrew Chan (*appointed on 2 July 2014*)

*Registered Office:*

22 Tai Yau Street  
San Po Kong  
Kowloon  
Hong Kong

*Independent Non-executive Directors:*

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

25 July 2014

To the Shareholders

**PROPOSALS RELATING TO  
RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,  
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM, including (i) the ordinary resolutions in respect of the re-election of the Directors; (ii) the ordinary resolutions in respect of the grant of the Issue Mandates and the Buy-back Mandate; and (iii) the special resolution in respect of the adoption of a new set of the Articles of Association, and to give you notice of the AGM at which these resolutions as set out in the notice of the AGM will be proposed.

### RE-ELECTION OF DIRECTORS

Article 95 of the Articles of Association provides that the Board shall have power from time to time to appoint any person as a Director. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. Mr. Andrew Chan was appointed by the Board as an executive Director on 2 July 2014 and, accordingly, his office will expire at the AGM. Being eligible, Mr. Chan will offer himself for re-election at the AGM.

Pursuant to Article 104 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. Dr. Chan Sui Kau, Madam Chan Suk Ling, Shirley, Mr. Chan Wing To, and Mr. Leung Hok Lim will retire from the Board by rotation and, being eligible, will offer themselves for re-election at the AGM.

---

## LETTER FROM THE BOARD

---

Among the Retiring Directors, Mr. Leung Hok Lim has served as an independent non-executive Director since 1993. Notwithstanding his length of tenure, Mr. Leung continues to demonstrate the attributes of being independent in character and judgment on the Company's affairs and fulfils the independence guidelines set out in Rule 3.13 of the Listing Rules as an independent non-executive Director. There is no evidence that his tenure has had any impact on his independence. The Board believes that his external experience and his thorough knowledge of the Group's business will continue to benefit the Company. The Board, therefore, is of the view that Mr. Leung is still independent and recommends him for re-election at the AGM.

The re-election of Mr. Andrew Chan and each of the Retiring Directors will be individually voted on by the Shareholders. Information of the Directors to be re-elected which are required to be disclosed under Listing Rules are set out in Appendix II to this circular.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue an announcement or a supplementary circular to inform the Shareholders of the details of such additional candidate proposed. If such notice is received less than 10 business days (as defined in the Listing Rules) prior to the date scheduled for the AGM, the Company will need to consider the adjournment of such meeting in order to allow Shareholders 10 business days' notice of the nomination.

### GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the last annual general meeting of the Company held on 6 September 2013, ordinary resolutions were passed to grant general mandates to issue and repurchase Shares to the Directors. These general mandates will lapse at the conclusion of the AGM.

The Directors believe that renewal of such mandates is in the interest of the Company and the Shareholders. Accordingly, ordinary resolutions will be proposed at the AGM to grant to the Directors general mandates to (i) allot, issue and deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of the passing of the relevant resolution; (ii) allot, issue and deal with the additional Shares bought back by the Company under the Buy-back Mandate (as defined hereinunder) (the mandates referred to in (i) and (ii) are collectively referred to as the "**Issue Mandates**"); and (iii) buy back, *inter alia*, Shares on the Stock Exchange, the aggregate number of which does not exceed 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution (the "**Buy-back Mandate**"), at any time during the period ending on the earlier of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association to be held; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting. With reference to the Issue Mandates and the Buy-back Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares or to buy back any Shares pursuant to the Issue Mandates and the Buy-back Mandate, respectively.

As at the Latest Practicable Date, the number of Shares in issue was 165,836,792 Shares. On the basis of such figure (and assuming no further Shares are issued or bought back after the Latest Practicable Date and up to the date of passing such resolutions), the Directors would be authorised to allot, issue and deal with up to 33,167,358 Shares (excluding the additional Shares bought back under the Buy-back Mandate) and buy back up to 16,583,679 Shares.

An explanatory statement containing the particulars required by Chapter 10 of the Listing Rules to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution for approving the Buy-back Mandate, which also constitutes the memorandum required under section 239(2) of the Companies Ordinance, is set out in Appendix I to this circular.

### ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

In order to modernise the existing Articles of Association and keep it in line with the new Companies Ordinance which came into effect on 3 March 2014 and the amendments to the Listing Rules which came into effect on 1 July 2014, certain amendments are proposed to be made to the Articles of Association. Other house-keeping amendments to the Articles of Association are also proposed to improve its clarity and readability. In view of the substantial amendments, the Board proposes that the New Articles of Association be adopted, which will consolidate all previous and proposed amendments and replace the existing Articles of Association with effect from the date of the passing of the relevant special resolution at the AGM.

---

## LETTER FROM THE BOARD

---

An explanatory statement on the adoption of the New Articles of Association is set out in Appendix III to this circular. The full text of the New Articles of Association is available at the Company's website at [www.ygmtrading.com](http://www.ygmtrading.com) in both English and Chinese versions. A copy of the New Articles of Association is also available for inspection at the Company's registered office at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong during normal business hours on any business day (excluding Saturday) from the date of this circular up to the date of the AGM. Please note that the Chinese version of the proposed New Articles of Association is for reference only. If there is any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail.

### ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 14 to 16 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the Issue Mandates and the Buy-back Mandate and a special resolution in respect of the adoption of the New Articles of Association will be proposed at the AGM. A form of proxy for use at the AGM is enclosed herewith. Whether or not you are able to attend the AGM in person, you are requested to complete the accompanying form of proxy and return the accompanying form of proxy in accordance with the instruction printed thereon to the registered office of the Company at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

Shareholders are advised to read the notice and complete and return the accompanying form of proxy for use at the AGM in accordance with the instructions printed thereon.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 75 of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the poll results in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors consider that the proposed resolutions for (i) the re-election of the Directors; (ii) the grant of the Issue Mandates and Buy-back Mandate; and (iii) the adoption of the New Articles of Association are in the best interests of the Company and the Shareholders as a whole and, accordingly, recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### GENERAL

Your attention is drawn to the further information contained in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,  
By order of the Board  
**YGM Trading Limited**  
**Chan Wing Fui, Peter**  
*Chairman*

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Buy-back Mandate and also constitutes the memorandum required under section 239(2) of the Companies Ordinance:

- (i) It is proposed that up to 10% of the Shares in issue as at the date of the passing of the resolution to approve the Buy-back Mandate may be bought back. As at the Latest Practicable Date, the number of Shares in issue was 165,836,792 Shares. On the basis of such figure (and assuming no further Shares are issued or bought back after the Latest Practicable Date and up to the date of passing such resolution), the Directors would be authorised to buy back up to 16,583,679 Shares.
- (ii) The Directors believe that it may be to the benefit of the Company and the Shareholders to buy back the Shares in certain circumstances. For example, depending on market conditions and funding arrangements at the time, such buy-backs may enhance the net assets and/or earnings per Share. Therefore, the Directors are seeking the grant of the Buy-back Mandate to give the Company the flexibility to do so if and when appropriate.
- (iii) The Companies Ordinance provides that the Company may only make a payment in respect of a buy-back of the Shares out of the distributable profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back. In any event, the Company will and may only apply funds legally available for such purpose in accordance with its Articles of Association and the laws of Hong Kong.
- (iv) As compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 March 2014, the Directors do not consider that the exercise in full of the Buy-back Mandate would have a material adverse impact on the working capital or gearing position of the Company. In any event, the Directors do not propose to exercise the power to make buy-backs pursuant to the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or gearing levels.
- (v) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention, in the event that the Buy-back Mandate is approved by the Shareholders at the AGM, to sell Shares to the Company under the Buy-back Mandate.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the Articles of Association and the laws of Hong Kong so far as the same may be applicable.
- (vii) As at the Latest Practicable Date and according to the records kept by the Company, Dr. Chan Sui Kau, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Kee, Mr. Chan Wing To and Madam Chan Suk Ling, Shirley and their close associates (collectively, the "**Chan Family**") are together interested in approximately 62.59% of the issued Shares. Assuming that the shareholding interests of the Chan Family remain unchanged, upon the exercise in full of the Buy-back Mandate to buy back Shares by the Directors, the Chan Family will be interested in approximately 69.54% of the issued Shares. The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any buy-backs made pursuant to the Buy-back Mandate.
- (viii) No buy-back has been made by the Company of the Shares in the six months prior to the date of this circular.
- (ix) None of the core connected persons of the Company have notified it of a present intention to sell Shares to the Company or have undertaken not to sell any Shares held by them to the Company in the event that the Buy-back Mandate is granted by the Shareholders.



- (x) The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date are as follows:

	<b>Highest per Share</b> <i>HK\$</i>	<b>Lowest per Share</b> <i>HK\$</i>
<b>2013</b>		
July	20.20	18.50
August	19.68	16.88
September	17.78	16.42
October	17.96	15.90
November	17.90	16.78
December	17.72	16.80
<b>2014</b>		
January	17.80	16.50
February	17.60	16.70
March	17.96	14.40
April	17.22	15.58
May	17.86	16.48
June	18.60	16.42
July (up to the Latest Practicable Date)	17.58	16.80

The following sets out the details of Directors who, being eligible, will offer themselves for re-election at the AGM pursuant to the Articles of Association:

**Chan Sui Kau**, *GBM, GBS, JP*, aged 89, is an executive Director and the founder of the Group. Dr. Chan established Yangtzekiang Garment Limited in 1949 and is the Executive Chairman of Yangtzekiang Garment Limited and the Honorary Chairman of the Company. Dr. Chan has served as a Director of the Company since 1987. Having been a Justices of the Peace since 1983, Dr. Chan was awarded the Gold Bauhinia Star in 2002 and six years later in 2008 he was awarded the Grand Bauhinia Medal. Dr. Chan used to serve as a member of the 8th and 9th term of the Chinese People's Political Consultative Committee until he reached the retirement age. Dr. Chan is also an Honorary Citizen of Dongguan, Foshan, Guangzhou and Wuxi (Jiangsu). In 2013, Dr. Chan was being awarded Industrialist of the year from the Federation of Hong Kong Industries.

Dr. Chan received an Honorary Doctoral Degree of Business Administration from The Hong Kong Polytechnic University in 2001; an Honorary Doctoral Degree of Social Sciences from the City University of Hong Kong in 2007 and in the same year an Honorary University Fellowship from The University of Hong Kong. Dr. Chan received another two honorary university conferments: one was an Honorary University Fellowship from the Hong Kong Baptist University and the other one was an Honorary Doctoral Degree of Social Sciences from The Hong Kong University of Science and Technology in 2008. Dr. Chan received an Honorary Fellowship from The Chinese University of Hong Kong in 2013.

Dr. Chan is the former Chairman of the Clothing Industry Training Authority (1986); former Chairman of the Textile Council of Hong Kong (1988-1994) and presently its Honorary Chairman; former President of Federation of Hong Kong Garment Manufacturers (1977-1988) and currently its Life Honorary President; Honorary President of Hong Kong Woollen & Synthetic Knitting Manufacturers' Association since 1980 and former member of Textile Advisory Board of Hong Kong (1971-1987) as well as the Hong Kong Labour Advisory (1985-1995).

In the last three years, he was also the chairman and an executive director of Yangtzekiang Garment Limited (stock code: 294) and has held directorships in certain subsidiaries of Yangtzekiang Garment Limited. Save as disclosed herein, Dr. Chan did not hold any directorship in any other Hong Kong or overseas listed public companies in the last three years and, save for directorships in certain subsidiaries of the Company, does not hold any other position with the Company or other members of the Group.

Dr. Chan is the father of Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel and Madam Chan Suk Ling, Shirley (all of whom are executive Directors) and is the grandfather of Mr. Andrew Chan (an executive Director). He is also the uncle of Mr. Chan Wing Kee, Mr. Chan Wing To and Mr. Fu Sing Yam, William (all of whom are executive Directors). Save as disclosed herein, Dr. Chan does not have any other relationships with any Directors, senior management of the Company or substantial or controlling Shareholders.

Information relating to Dr. Chan's interest in Shares within the meaning of Part XV of the SFO and details of his compensation and length of services as a Director are set out at the end of this appendix.

Save as disclosed above, there are no other matters concerning Dr. Chan that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

**Chan Suk Ling, Shirley**, *JP*, aged 63, is an executive Director and the chief executive officer of the Company. Madam Chan has served as a Director of the Company since 1987. She also serves as a director in various subsidiaries of the Company. Madam Chan joined Yangtzekiang Garment Limited in 1973 and was appointed as a director of Yangtzekiang Garment Limited in 1983. Madam Chan has extensive experience of management in the garment retail and wholesale business. She is a Council Member of the Hong Kong Trade Development Council, the Chairman of the Garment Advisory Committee of the Hong Kong Trade Development Council, a Member of the Hong Kong-France Business Partnership Committee of the Hong Kong Trade Development Council, the First Vice-President of the Chinese Manufacturers' Association of Hong Kong, the Chairman of the Hong Kong Brand Development Council, a Committee Member of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference, Vice President of the Guangdong Association of Enterprises with Foreign Investment and a Council Member of City University of Hong Kong. She received a bachelor's degree from Nottingham Trent University, the United Kingdom in 1973.

Madam Chan has been an executive director of Yangtzekiang Garment Limited, a company listed on the Stock Exchange, and certain of its subsidiaries since 1983. Save as disclosed herein, Madam Chan did not hold any directorship in any other Hong Kong or overseas listed public companies in the last three years.

Madam Chan is the daughter of Dr. Chan Sui Kau (an executive Director) and is the aunt of Mr. Andrew Chan (an executive Director). She is the sister of Mr. Chan Wing Fui, Peter and Mr. Chan Wing Sun, Samuel (all of whom are executive Directors). She is also the cousin of Mr. Chan Wing Kee, Mr. Chan Wing To and Mr. Fu Sing Yam, William (all of whom are executive Directors). Save as disclosed herein, Madam Chan does not have any other relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Information relating to Madam Chan's interest in Shares within the meaning of Part XV of the SFO and details of her compensation and length of services as a Director are set out at the end of this appendix.

Save as disclosed above, there are no other matters concerning Madam Chan that need to be brought to the attention of the Shareholders in connection with her re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

**Chan Wing To, PhD**, aged 63, is an executive Director. Mr. Chan also serves as a director in various subsidiaries of the Company. He joined YGM Singapore in 1978 and was appointed as a Director in 1987. Mr. Chan received a Doctor of Philosophy degree in economics from the University of Rochester, the USA in 1978. He has extensive experience in the textile and garment business.

Mr. Chan has been an executive director of Yangtzekiang Garment Limited, a company listed on the Stock Exchange, and certain of its subsidiaries since 1983. Save as disclosed herein, Mr. Chan did not hold any directorship in any other Hong Kong or overseas listed public companies in the last three years.

Mr. Chan is the nephew of Dr. Chan Sui Kau (an executive Director) and the brother of Mr. Chan Wing Kee (an executive Director). He is also the uncle of Mr. Andrew Chan (an executive Director) and the cousin of Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley and Mr. Fu Sing Yam, William (all of whom are executive Directors). Save as disclosed herein, Mr. Chan does not have any other relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Information relating to Mr. Chan's interest in Shares within the meaning of Part XV of the SFO and details of his compensation and length of services as a Director are set out at the end of this appendix.

Save as disclosed above, there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

**Andrew Chan**, aged 36, is an executive Director. Mr. Chan also serves as a director and general manager of various subsidiaries of the Company. He joined the Group in 2003 and was appointed as an executive Director on 2 July 2014. Mr. Chan received a bachelor's degree in economics from the University of Hartford, the USA in 2003. He has extensive experience in international brand licensing and fashion retailing in the Far East, the USA and Europe. Mr. Chan is currently responsible for the overall management, strategic development and expansion of certain brands of the Company including Aquascutum, J.Lindeberg and Peak Performance.

Mr. Chan did not hold any directorship in any other Hong Kong or overseas listed public companies in the last three years.

Mr. Chan is the grandson of Dr. Chan Sui Kau (an executive Director), the son of Mr. Chan Wing Fui, Peter (an executive Director), the nephew of Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley, Mr. Chan Wing Kee, Mr. Chan Wing To and Mr. Fu Sing Yam, William (all of whom are executive Directors). Save as disclosed herein, Mr. Chan does not have any other relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Information relating to Mr. Chan's interest in Shares within the meaning of Part XV of the SFO and details of his compensation and length of services as a Director are set out at the end of this appendix.

Save as disclosed above, there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

**Leung Hok Lim**, *FCPA (Aust.), CPA (Macau), FCPA(Practising)*, aged 79, has been an independent non-executive Director since 1993. Mr. Leung is the founding and senior partner of PKF, Accountants and Business Advisers. Mr. Leung is a non-executive director of Beijing-Hong Kong Exchange of Personnel Centre Limited, and an independent non-executive director of a number of listed companies in Hong Kong, namely Yangtzekiang Garment Limited, Fujian Holdings Limited, Phoenix Satellite Television Holdings Limited, S E A Holdings Limited and High Fashion International Limited.

If Mr. Leung shall be re-elected as independent non-executive Director at the AGM, he will continue to act as Chairman of the Audit Committee and the Nomination Committee and a member of the Remuneration Committee of the Company.

Save as disclosed herein, Mr. Leung did not hold directorship in any other Hong Kong or overseas listed public companies in the last three years and did not hold any other position with the Company or other members of the Group. Save as disclosed herein, Mr. Leung does not have any relationships with any other Directors, senior management of the Company or substantial or controlling Shareholders.

Information relating to Mr. Leung's interest in Shares within the meaning of Part XV of the SFO and details of his compensation and length of services as a Director are set out at the end of this appendix.

Save as disclosed above, there are no other matters concerning Mr. Leung that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

### Interests in the Shares of the Directors to be re-elected

As at the Latest Practicable Date, interests in the Shares of the Directors to be re-elected which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, the Model Code for Securities Transactions by Directors of Listed Issuers and which were entered in the register kept by the Company under section 352 of the SFO were as follows:

<u>Name of Director</u>	<u>Number of Ordinary Shares</u>			<u>Other interests</u>
	<u>Personal interests (i)</u>	<u>Family interests</u>	<u>Corporate interests</u>	
Chan Sui Kau	3,034,272	214,368	3,840,820	(ii)
Chan Suk Ling, Shirley	6,617,544	328,000	–	(ii) & (iii)
Chan Wing To	11,018,736	–	–	(ii),(iii) & (iv)
Andrew Chan	392,000	–	–	–
Leung Hok Lim	100,000	–	–	–

Save as disclosed herein and as at the Latest Practicable Date, none of the Directors to be re-elected had any interests in the Shares within the meaning of Part XV of the SFO.

Notes:

- (i) *The Shares are registered under the names of the Directors who are the beneficial owners.*
- (ii) *36,723,700 Shares were held by Chan Family Investment Corporation Limited (which is owned by Dr. Chan Sui Kau, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Kee, Mr. Chan Wing To, Mr. Fu Sing Yam, William, Madam Chan Suk Ling, Shirley and other members of the Chan Family) and its subsidiaries.*
- (iii) *2,920,388 Shares were held by Hearty Development Limited which is indirectly owned by Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Ling, Shirley and other members of the Chan Family.*
- (iv) *1,597,000 Shares were held by Super Team International Limited which is indirectly owned by Mr Chan Wing Kee, Mr Chan Wing To and other members of the Chan Family.*

### Directors' Service Contracts

As at the Latest Practicable Date, the Retiring Directors had not entered into any service contract in writing with the Company and are not appointed for specific term, but they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. All the Retiring Directors will receive a director's fees to be fixed by the Board as may be authorised by the Shareholders at the AGM.

The total emoluments for the year ended 31 March 2014 received by Dr. Chan Sui Kau, Madam Chan Suk Ling, Shirley, Mr. Chan Wing To and Mr. Leung Hok Lim were HK\$1,384,000, HK\$5,856,000, HK\$30,000 and HK\$160,000 respectively (as disclosed in note 8 to the audited consolidated financial statements of the Company for the year ended 31 March 2014).

Mr. Andrew Chan was appointed by the Board as an executive director on 2 July 2014 by a letter of appointment and his office will expire at the AGM. Being eligible, Mr. Chan will offer himself for re-election at the AGM. Mr. Andrew Chan's office is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association, and he will be entitled to receive an annual director's fee to be determined by the Directors and the remuneration committee of the Company, subject to his re-election as executive Director by the Shareholders at the AGM.

Share options may also be granted to the Directors under the share option scheme from time to time adopted by the Company subject to compliance with the Listing Rules. The emoluments received by the Directors were mutually agreed upon between the Board and the relevant Directors with reference to the prevailing market conditions and past contributions of the Directors to the Group.

An outline of the major changes brought about by the adoption of the New Articles of Association are set out below:

- (a) The Articles of Association have become the single constitutional document of the Company due to the abolition of the memorandum of association under section 98 of the Companies Ordinance. Hence, the existing memorandum of association of the Company is deleted and the mandatory clauses (save as the clauses relating to the objects and the share capital of the Company) from the memorandum of association under the Predecessor Companies Ordinance are formally migrated to the New Articles of Association.
- (b) The objects clause in the existing memorandum of association of the Company is removed in light of section 116 of the Companies Ordinance which provides that a company has the capacity, rights, power and privileges of a natural person of full age, and may do any act as permitted or required to do by its articles or any ordinance or rule of law.
- (c) Article 3 of the New Articles of Association excludes the application of the model articles set out in the Company (Model Articles) Notice (Chapter 622H of the Laws of Hong Kong) to the Articles of Association.
- (d) All references in the existing Articles of Association to authorised share capital, par value or nominal value of Shares, unissued Shares, warrants issued to bearers, capital redemption reserve fund and share premium account are deleted following the abolition of such concepts under the Companies Ordinance.
- (e) Obsolete terms are replaced with the new terms used in Companies Ordinance and section references to the Predecessor Companies Ordinance are replaced with the corresponding section references to the Companies Ordinance.
- (f) Revisions are made to reflect the amendments to the Listing Rules relating to connected transaction requirements and the introduction of the definitions of “core connected person” and “close associate” which came into effect on 1 July 2014.
- (g) Articles 19, 23 and 43 of the New Articles of Association provides that the Board shall from time to time determine a fee of such amount being not more than the maximum amount from time to time set out in the Listing Rules in respect of the transfers and share certificates to be registered, issued or replaced as permitted under paragraph 1 of Appendix 3 of the Listing Rules.
- (h) Article 45 of the New Articles of Association reflects the changes introduced by section 151 of the Companies Ordinance which requires a company to provide a statement of the reasons for refusal of registration of a transfer of shares within 28 days, if required by the transferor or the transferee of the shares.
- (i) Articles 60 to 63 of the existing Articles of Association relating to the conversion of Shares into stock and subscription right reserves are deleted to reflect the changes introduced by section 138 of the Companies Ordinance which repeals the power of a company to convert its shares into stock.
- (j) Article 63 of the New Articles of Association aligns the provisions of the Articles of Association relating to the alteration of share capital to section 170 of the Companies Ordinance, which gives a company the statutory power to alter its share capital in a number of ways, subject to any exclusion or restriction which may be imposed by the company’s articles of association.
- (k) Article 67 of the New Articles of Association is amended to change the minimum notice period for convening a general meeting (other than an annual general meeting) for passing a special resolution from 21 days to 14 days to reflect the changes introduced by section 571(1)(b)(i) of the Companies Ordinance.
- (l) Article 71 of the New Articles of Association allows the Company to hold general meetings in more than one location using any technology that enables the members to listen, speak and vote at the meetings as permitted under section 584(1) of the Companies Ordinance.
- (m) Article 75 of the New Articles of Association lowers the threshold for demanding a poll from 10% to 5% of the total voting rights or 5 members having the right to vote at a general meeting and includes the mandatory requirement for the chairman of the meeting to demand a poll under certain circumstances to reflect the changes introduced by section 591(2)(b) of the Companies Ordinance.

- (n) Articles 88 and 89 of the New Articles of Association are introduced to reflect the changes in proxy arrangements introduced in Division 1 of Part 12 of the Companies Ordinance relating to the receipt of documents and information relating to proxies by electronic means.
- (o) Article 104 of the New Articles of Association reflects the changes introduced in Division 5 of Part 11 of the Companies Ordinance in relation to the disclosure by directors of material interests in any transaction, arrangement or contract or any proposed transaction, arrangement or contract with the Company.
- (p) Article 141 of the New Articles of Association allows the Company to execute a document as a deed without using its common seal as permitted under section 127(5) of the Companies Ordinance.
- (q) Articles 161 and 162 of the New Articles of Association allow the Company to cease sending cheques for dividend entitlements or dividend warrants and to sell any shares of untraceable members as permitted under paragraph 13 of Appendix 3 of the Listing Rules.
- (r) Articles 165 to 171 of the New Articles of Association reflects the new terminology used in the Companies Ordinance for various financial documents that the Directors are required to prepare and put forward in the annual general meeting of the Company, such as “accounting records”, “reporting documents”, “financial statements” and “statements of financial position”.
- (s) Articles 172 and 173 of the New Articles of Association reflect the changes introduced in Part 18 of the Companies Ordinance in relation to the communications sent by the Company to its members.
- (t) Article 183(E) of the New Articles of Association reflects the mandatory requirement in respect of disclosure of permitted indemnity provisions provided by the Company to the Directors or directors of its associated companies under section 470 of the Companies Ordinance.

**Shareholders are urged to read the New Articles of Association in its entirety, the full text of which is available at the Company’s website at [www.ygmtrading.com](http://www.ygmtrading.com) in both English and Chinese versions. A copy of the New Articles of Association is also available for inspection at the Company’s registered office at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong during normal business hours on any business day (excluding Saturday) from the date of this circular up to the date of the AGM. Please note that the Chinese translation of the proposed New Articles of Association is for reference only. If there is any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail.**

---

## NOTICE OF ANNUAL GENERAL MEETING

---

# YGM TRADING LIMITED

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 00375)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the members of YGM Trading Limited (the “**Company**”) will be held at 2:15 p.m. on Wednesday, 17 September 2014 at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong for the following purposes:

1. To receive and consider the audited consolidated financial statements, the directors’ report and the independent auditor’s report for the year ended 31 March 2014;
2. To approve and declare a final dividend for the year ended 31 March 2014;
3. To re-elect the directors of the Company named below (each as a separate resolution):
  - (a) Dr. Chan Sui Kau as an executive director of the Company;
  - (b) Madam Chan Suk Ling, Shirley as an executive director of the Company;
  - (c) Mr. Chan Wing To as an executive director of the Company;
  - (d) Mr. Andrew Chan as an executive director of the Company; and
  - (e) Mr. Leung Hok Lim as an independent non-executive director of the Company;

and to authorise the board of directors (the “**Directors**”) to fix the remuneration of the Directors and any committees of Directors;

4. To re-appoint KPMG as the auditors of the Company and to authorise the board of Directors to fix their remuneration;
5. To consider as special business and, if thought fit, pass with and without modification, the following resolutions as ordinary resolutions of the Company:

**(A) “THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined hereinbelow) of all the powers of the Company to allot, issue and otherwise deal with the unissued Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined hereinbelow), (ii) the exercise of rights of subscription or conversion under the terms any warrants issued by the Company or any securities which are convertible into Shares, (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to such eligible participants recognised by the Company of shares or rights to acquire Shares, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company, shall not exceed the aggregate of: (aa) 20% of the total number of Shares in issue as at the date of passing this Resolution plus (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of Shares bought back by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10%



---

## NOTICE OF ANNUAL GENERAL MEETING

---

of the total number of Shares in issue as at the date of passing this Resolution), and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

“**Right Issue**” means the allotment, issue or grant of shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”;

**(B) “THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined hereinbelow) of all the powers of the Company to buy back shares in the capital of the Company (the “**Shares**”) be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be bought back on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Buy-backs pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”; and

- (C) “THAT** conditional upon the passing of resolutions set out in paragraphs (A) and (B) above, the Directors be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out in paragraph (A) above in the notice of this meeting in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph 5(A)(c) of such resolution.” and

---

## NOTICE OF ANNUAL GENERAL MEETING

---

6. To consider as special business and, if thought fit, pass with and without modification, the following resolution as special resolution of the Company:

“**THAT** the new articles of association (the “**New Articles of Association**”), a copy of which is produced to the meeting and initialled by the chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the articles of association of the Company in force immediately before the passing of this special resolution and **THAT** any Director or the company secretary of the Company be and is hereby authorised to do all things necessary to effect and record the adoption of the New Articles of Association.”

By order of the Board  
**YGM Trading Limited**  
**Leung Wing Fat**  
Company Secretary

Hong Kong, 25 July 2014

As at the date of this notice, the Board comprises eight 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, Mr. Chan Wing To and Mr. Andrew Chan, and four independent non-executive Directors, namely Mr. Leung Hok Lim, Mr. Lin Keping, Mr. Sze Cho Cheung, Michael and Mr. Choi Ting Ki.

Notes:

- (a) *For the purpose of ascertaining the right of the shareholders to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Thursday, 11 September 2014 to Wednesday, 17 September 2014, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the right to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30p.m. on Wednesday, 10 September 2014.*
- (b) *A member entitled to attend and vote at the above meeting may appoint more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.*
- (c) *In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be deposited at the registered office of the Company at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
- (d) *The transfer books and register of members of the Company will be closed from Tuesday, 23 September 2014 to Thursday, 25 September 2014, both days inclusive, during which period no transfer of Shares will be effected for the purpose of ascertaining the entitlement of the shareholders to the proposed final dividend, if approved by shareholders at the AGM. In order to qualify for the final dividend payable on or around Monday, 6 October 2014 to be approved at the AGM to those shareholders whose names appear on the register of members of the Company as at the close of business on Thursday, 25 September 2014, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30p.m. on Monday, 22 September 2014.*
- (e) *With regard to resolution no. 5 contained in this notice, attention is drawn to the circular regarding the general mandate to buy back Shares and to issue Shares which will be sent to shareholders of the Company in due course.*
- (f) *With regard to resolution no. 6 contained in this notice, Shareholders are urged to read the new articles of association (the “**New Articles of Association**”) proposed to be adopted at the AGM in its entirety, the full text of which is available at the Company's website at [www.ygmtrading.com](http://www.ygmtrading.com) in both English and Chinese versions. A copy of the New Articles of Association is also available for inspection at the Company's registered office at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong during normal business hours on any business day (excluding Saturday) from the date of this circular up to the date of the AGM. Please note that the Chinese version of the proposed New Articles of Association is for reference only. If there is any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail.*