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

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**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.

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**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 REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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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 on Friday, 6 September 2013 at 12:15 p.m. is set out on pages 11 to 13 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 appointed 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.

26 July 2013

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## DEFINITIONS

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*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 Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on Friday, 6 September 2013 at 12:15 p.m., notice of which is set out on pages 11 to 13 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>“associates”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Board”</b>	the board of Directors;
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Companies Ordinance”</b>	the Companies Ordinance (Chapter 32 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>“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 Repurchase Shares” in the Letter from the Board on page 3 of this circular;
<b>“Latest Practicable Date”</b>	19 July 2013, 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>“Repurchase Mandate”</b>	as defined in the second paragraph in the section headed “General Mandates to Issue and Repurchase Shares” in the Letter from the Board on page 3 of this circular;
<b>“Retiring Directors”</b>	the Directors who will retire from the Board by rotation at the AGM, namely, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Kee and Mr. Sze Cho Cheung, Michael;
<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
<b>“Shares”</b>	ordinary share(s) of HK\$0.50 each in the 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.

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LETTER FROM THE BOARD

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**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

*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

26 July 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO  
RE-ELECTION OF DIRECTORS  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you notice of AGM and to provide you with information on the following matters to be proposed at the AGM as ordinary resolutions in respect of (i) the re-election of the Directors and (ii) the grant of the Issue Mandates and the Repurchase Mandate.

**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. Choi Ting Ki was appointed by the Board as independent non-executive Director on 10 December 2012, accordingly, his office will expire at the AGM. Being eligible, Mr. Choi 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. Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Kee and Mr. Sze Cho Cheung, Michael will retire from the Board by rotation and, being eligible, will offer themselves for re-election at the AGM.

The re-election of Mr. Choi Ting Ki and each of the Retiring Directors will be individually voted on by the Shareholders.

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## LETTER FROM THE BOARD

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Information of the Directors to be re-elected which is required to be disclosed under the 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, in accordance with the “Procedures for shareholders to propose a person for election as a director of the Company” published by the Company on 30 March 2012, 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 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 REPURCHASE SHARES

At the last annual general meeting of the Company held on 14 September 2012, ordinary resolutions were passed to grant the general mandates to the Directors to issue and repurchase Shares. 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 aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution; (ii) allot, issue and deal with Shares, including the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate (as defined hereinunder) (the mandates referred to in (i) and (ii) are collectively referred to as the “**Issue Mandates**”); and (iii) repurchase, inter alia, Shares on the Stock Exchange, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution (the “**Repurchase Mandate**”), at any time during the period ending on 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 memorandum of association of the Company and the Articles of Association to be held; or (iii) 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 Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares or to repurchase any Shares pursuant to the Issue Mandates and the Repurchase Mandate, respectively.

As at the Latest Practicable Date, the number of Shares in issue was 165,863,792 Shares. On the basis of such figure (and assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing such resolution), the Directors would be authorised to allot, issue and deal with up to 33,172,758 Shares and repurchase up to 16,586,379 Shares.

An explanatory statement containing the particulars required by section 49BA(3)(b) of the Companies Ordinance and 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 Repurchase Mandate is set out in the Appendix I to this circular.

### ANNUAL GENERAL MEETING

The notice of AGM is set out on pages 11 to 13 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the Issue Mandates and the Repurchase Mandate 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 in accordance with the instructions printed thereon and return the accompanying form of proxy in accordance with the instruction 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 appointed 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 to 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.

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## LETTER FROM THE BOARD

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### 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 and (ii) the grant of the Issue Mandates and Repurchase Mandate 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 Repurchase Mandate and also constitutes the memorandum required under section 49BA(3)(b) 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 Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the number of Shares in issue was 165,863,792 Shares. On the basis of such figure (and assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing such resolution), the Directors would be authorised to repurchase up to 16,586,379 Shares.
- (ii) The Directors believe that it may be to the benefit of the Company and the Shareholders to repurchase the Shares in certain circumstances. For example, depending on market conditions and funding arrangements at the time, such repurchases may enhance the net assets and/or earnings per Share. Therefore, the Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate.
- (iii) It is envisaged that the funds required for any repurchase would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company. In any event, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Articles of Association and the laws of Hong Kong.
- (iv) As compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31 March 2013, the Directors do not consider that the exercise in full of the Repurchase 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 purchases pursuant to the Repurchase 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 associates, have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders at the AGM, to sell Shares to the Company under the Repurchase Mandate.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the memorandum of association of the Company and 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 associates (collectively, the "**Chan Family**") are together interested in approximately 61.19% of the issued Shares. Assuming that the shareholding interests of the Chan Family remain unchanged, upon the exercise in full of the Repurchase Mandate to repurchase Shares by the Directors, the Chan Family will be interested in approximately 67.99% 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 repurchases made pursuant to the Repurchase Mandate.
- (viii) No purchase has been made by the Company of the Shares in the six months prior to the date of this circular.
- (ix) None of the 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 Repurchase 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>2012</b>		
July	18.24	17.10
August	17.40	16.80
September	17.80	16.50
October	18.80	17.34
November	19.28	18.20
December	18.80	17.02
<b>2013</b>		
January	20.75	18.30
February	22.00	20.00
March	22.50	20.15
April	23.30	20.50
May	22.40	19.10
June	21.30	18.22
July (up to the Latest Practicable Date)	20.20	19.20



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:

**Mr. Chan Wing Fui, Peter, MA**, aged 67, received a Master's degree in Administrative Science from Yale University, USA in 1969 and joined Yangtzekiang Garment Limited in the same year. He was appointed as the director and managing director of Yangtzekiang Garment Limited in 1971 and 1980 respectively and Vice Chairman of the board of directors of both the Company and Yangtzekiang Garment Limited in 1987. He has been the Chairman of the Board since 2010. Mr. Chan is also a director of various subsidiaries of the Company. Mr. Chan has been actively involved in garment manufacturing and marketing in the Far East and the USA for over 30 years.

Mr. Chan is an executive director of Yangtzekiang Garment Limited (whose shares are listed on the Stock Exchange). 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 and does not hold any other position with the Company or other members of the Group nor other major appointments and professional qualifications.

Mr. Chan is the son of Dr. Chan Sui Kau (an executive Director) and the father of Mr. Andrew Chan (executive director and general manager of certain subsidiaries of the Company). He is the brother of Mr. Chan Wing Sun, Samuel and Madam Chan Suk Ling, Shirley (all of whom executive Directors). He is also the cousin of Mr. Chan Wing Kee, Mr. Chan Wing To and Mr. Fu Sing Yam, William (all of whom executive Directors). Save as disclosed herein, Mr. Chan does not have any relationships with any other 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 compensation and length of services as a Director are set out in this appendix below.

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).

**Mr. Chan Wing Sun, Samuel, FCA**, aged 65, received a Bachelor's degree from the University of Manchester, the United Kingdom in 1970 and qualified as a Chartered Accountant in 1973. He was the Company Secretary of Yangtzekiang Garment Limited from 1974 to 1988 and has been a director of Yangtzekiang Garment Limited since 1977. He was the Managing Director of the Company from 1987 to 2006 and the Chief Executive Officer of the Company from 2006 to 2010 and has been the Vice Chairman of the Board since 2010. Mr. Chan is also a director of various subsidiaries of the Company. Mr. Chan was appointed as a director of Gold Anomaly Limited (whose shares are listed on the Australian Securities Exchange) in January 2013 and as chairman of the board of directors of Gold Anomaly Limited in March 2013.

Mr. Chan is an executive director of Yangtzekiang Garment Limited (whose shares are listed on the Stock Exchange). He was the chairman and chief executive officer of Hang Ten Group Holding Limited (whose shares were delisted from the Stock Exchange in March 2012). 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 and does not hold any other position with the Company or other members of the Group nor other major appointments and professional qualifications.

Mr. Chan is the son of Dr. Chan Sui Kau (an executive Director) and the brother of Mr. Chan Wing Fui, Peter and Madam Chan Suk Ling, Shirley (all of whom executive Directors). He is also the uncle of Mr. Andrew Chan (the son of Mr. Chan Wing Fui, Peter and executive director and general manager of certain subsidiaries of the Company) and the cousin of Mr. Chan Wing Kee, Mr. Chan Wing To and Mr. Fu Sing Yam, William (all of whom executive Directors). Save as disclosed herein, Mr. Chan does not have any relationships with any other 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 compensation and length of services as a Director are set out in this appendix below.

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).

**Mr. Chan Wing Kee, GBS, OBE, JP**, aged 66, received a Bachelor's degree in Industrial Engineering in 1970 and joined Yangtzekiang Garment Limited in the same year as production manager and later became sales

manager. Mr. Chan was appointed as a director and managing director of Yangtzekiang Garment Limited in 1977 and 1987 respectively. He has been a Director of the Company since 1987. Mr. Chan has participated in many textile negotiations with the USA and Europe for Hong Kong and Macau. He is a Standing Committee Member of the 10th, 11th and 12th of The Chinese People's Political Consultative Conference; Deputy of the 8th and 9th National People's Congress of China, Member of Commission on Strategic Development of Hong Kong Special Administrative Region; Ex-member of Economic Council of Macau Special Administrative Region; Ex-member of the Textile Advisory Board; Ex-Committee Member of the Preparatory Committee for Hong Kong Special Administrative Region and Ex-Advisor of Hong Kong Affairs.

Mr. Chan is an executive director of Yangtzekiang Garment Limited (whose shares are listed on the Stock Exchange). He is also an independent non-executive director of China Travel International Investment Hong Kong Limited (whose shares are listed on the Stock Exchange). 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 and does not hold any other position with the Company or other members of the Group nor other major appointments and professional qualifications.

Mr. Chan is the nephew of Dr. Chan Sui Kau (an executive Director) and the brother of Mr. Chan Wing To (an executive Director). He is the uncle of Mr. Andrew Chan (the son of Mr. Chan Wing Fui, Peter, and executive director and general manager of certain subsidiaries of the Company). Mr. Chan is also 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 executive Directors). Save as disclosed herein, Mr. Chan does not have any relationships with any other 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 compensation and length of services as a Director are set out in this appendix below.

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).

**Mr. Sze Cho Cheung, Michael**, *GBS, CBE, ISO, JP*, aged 68, has been an independent non-executive Director since March 2010. He was a former executive director of the Hong Kong Trade Development Council, a position he held for eight years prior to his retirement on 1 May 2004. Before that, he worked for 25 years in various capacities in the Hong Kong Government.

Mr. Sze is an independent non-executive director of Swire Pacific Limited and Yangtzekiang Garment Limited, whose shares are listed on the Stock Exchange. Mr. Sze resigned as a non-executive director of Lee Kum Kee Company Limited in June 2010 and currently acts as a consultant to the board of Lee Kum Kee Company Limited. Save as disclosed herein, Mr. Sze did not hold any directorship in any other Hong Kong or overseas listed public companies in the last three years and does not hold any other position with the Company or other members of the Group nor other major appointments and professional qualifications.

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

Save as disclosed herein, Mr. Sze did not have any relationship with any other Directors, senior management of the Company or substantial or controlling Shareholders.

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

Save as disclosed above, there are no other matters concerning Mr. Sze 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).

**Mr. Choi Ting Ki**, aged 58, is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Committee of the Chinese People's Political Consultative Conference of Jing'an District, Shanghai, and Honorary Vice-Chairman of the Federation of Returned Overseas Chinese of Jing'an District, Shanghai. In 1978, Mr. Choi graduated from the Department of Accounting of the Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University). He joined KPMG in the same year and has held various positions, including

Deputy Manager and Manager of the audit department of KPMG Hong Kong Office, Managing Partner of KPMG Shanghai Office, Senior Partner of KPMG Huazhen Shanghai Office as well as Senior Partner of KPMG Huazhen in Eastern and Western China. Mr. Choi retired from KPMG Huazhen in April 2010. Mr. Choi was responsible for initial public offering projects for a number of large Chinese domestic enterprises in China, Hong Kong and overseas, as well as for various transactions for listed companies. He possesses a wealth of professional knowledge and experience.

Mr. Choi was appointed as an independent non-executive Director of the Company in December 2012, he is also an independent non-executive director of Sinopec Shanghai Petrochemical Company Limited and YangtzeKiang Garment Limited, whose shares are listed on the Stock Exchange. Save as disclosed herein, Mr. Choi did not hold directorship in any other Hong Kong or overseas listed public companies in the last three years and does not hold any other position with the Company or other members of the Group nor other major appointments and professional qualifications.

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

Save as disclosed herein, Mr. Choi did not have any relationship with any other Directors, senior management of the Company or substantial or controlling Shareholders.

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

Save as disclosed above, there are no other matters concerning Mr. Choi 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).

### Directors' Interests in Shares

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:

Name of Director to be re-elected	Number of Shares			Other interests
	Personal interests (i)	Family interests	Corporate interests	
Chan Wing Fui, Peter	24,068	11,677,420	–	(ii) & (iii)
Chan Wing Sun, Samuel	7,476,072	250,000	7,541,144	(ii) & (iii)
Chan Wing Kee	9,346,776	819,404	–	(ii),(iii) & (iv)
Sze Cho Cheung, Michael	–	–	–	–
Choi Ting Ki	–	–	–	–

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 to be re-elected who are the beneficial owners.
- (ii) 35,097,700 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 Kee, Mr. Chan Wing Sun, Samuel, 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 and Mr. Chan Wing To and other members of the Chan family.

**Directors' Service Contract**

As at the Latest Practicable Date, the Retiring Directors had not entered into any service contract in writing with the Company and 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. In addition, the total emoluments for the year ended 31 March 2013 received by Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Kee and Mr. Sze Cho Cheung, Michael were HK\$2,055,000, HK\$5,195,000, HK\$30,000 and HK\$120,000 respectively (as disclosed in note 8 to the financial statements of the Company for the year ended 31 March 2013).

As at the Latest Practicable Date, pursuant to a letter of appointment, Mr. Choi Ting Ki is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Under the terms of the letter of appointment, Mr. Choi will be entitled to receive an annual director's fee of HK\$100,000, subject to approval 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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# 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 12:15 p.m. on Friday, 6 September 2013 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 2013;
2. To approve and declare a final dividend for the year ended 31 March 2013;
3. To re-elect the directors of the Company named below:
  - (a) Mr. Chan Wing Fui, Peter as an executive director of the Company;
  - (b) Mr. Chan Wing Sun, Samuel as an executive director of the Company;
  - (c) Mr. Chan Wing Kee as an executive director of the Company;
  - (d) Mr. Sze Cho Cheung, Michael as an independent non-executive director of the Company; and
  - (e) Mr. Choi Ting Ki 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; and
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 (b) below, the exercise by the Directors during the Relevant Period (as defined hereinbelow) of all the powers of the Company to purchase shares in the capital of the Company (the “**Shares**”) be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased 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 Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company 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 memorandum and articles of association of the Company to be held; or

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- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

**(B) “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 additional 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 aggregate nominal amount of share capital 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 aggregate nominal amount of the share capital of the Company 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 nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company 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 memorandum and 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).”; 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 (B) 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(B)(c) of such resolution.”

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

Hong Kong, 26 July 2013

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As at the date of this notice, the Board comprises seven 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 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.

*Notes:*

- (a) *For the purpose of ascertaining the right of the members to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Monday, 2 September 2013 to Friday, 6 September 2013, 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 Friday, 30 August 2013.*
- (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 the holding of the meeting or any adjournment thereof.*
- (d) *The transfer books and register of members of the Company will be closed from Thursday, 12 September 2013 to Monday, 16 September 2013, 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 Tuesday, 24 September 2013 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 Wednesday, 11 September 2013, 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 Wednesday, 11 September 2013.*
- (e) *With regard to paragraph 5 of the above notice, attention is drawn to the circular regarding the general mandates to issue and repurchase Shares which will be sent to members of the Company in due course.*