
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 YangtzeKiang Garment 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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長江製衣有限公司
YANGTZEKIANG GARMENT LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00294)

**PROPOSALS RELATING TO
RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
ADOPTION OF SHARE OPTION SCHEME
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 on Wednesday, 18 September 2019 at 12:00 noon is set out on pages 24 to 28 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.

25 July 2019

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DEFINITIONS

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

| | |
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| “AGM” or “Annual General Meeting” | 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 Wednesday, 18 September 2019 at 12:00 noon, notice of which is set out on pages 24 to 28 of this circular, or any adjournment thereof; |
| “Articles of Association” | the articles of association of the Company as amended from time to time; |
| “Board” | the board of Directors; |
| “Buy-back Mandate” | 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; |
| “close associates” | has the meaning ascribed to it under the Listing Rules; |
| “Companies Ordinance” | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time; |
| “Company” | YangtzeKiang Garment 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; |
| “core connected person(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Issue Mandates” | 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; |

DEFINITIONS

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|----------------------------------|--|
| “Latest Practicable Date” | 17 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Main Board” | the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange; |
| “Retiring Directors” | the Directors who will retire from the Board by rotation and, being eligible, will offer themselves for re-election at the AGM, namely, Mr. Chan Wing Kee, Mr. Chan Wing Sun, Samuel, Mr. Lin Keping and Mr. Choi Ting Ki; |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “Share(s)” | ordinary share(s) in the share capital of the Company; |
| “Share Option Scheme” | the share option scheme proposed to be adopted at the Annual General Meeting, a summary of the principal terms of which are set out in Appendix III; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “%” | per cent. |

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

LETTER FROM THE BOARD

長江製衣有限公司
YANGTZEKIANG GARMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00294)

Executive Directors:

Chan Wing Fui, Peter (*Chairman*)
Chan Wing Kee (*Managing Director*)
Chan Wing To (*Deputy Managing Director*)
Chan Suk Man
Chan Wing Sun, Samuel
Chan Suk Ling, Shirley
So Ying Woon, Alan

Registered Office:

22 Tai Yau Street
San Po Kong
Kowloon
Hong Kong

Independent Non-executive Directors:

Lin Keping
Choi Ting Ki
So Stephen Hon Cheung
Li Guangming

25 July 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO
RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
ADOPTION OF SHARE OPTION SCHEME
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 adoption of the Share Option Scheme, and to give you notice of the AGM at which these resolutions as set out in the notice of the AGM will be proposed.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Article 105 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 Kee, Mr. Chan Wing Sun, Samuel, Mr. Lin Keping and Mr. Choi Ting Ki will retire from the Board by rotation and, being eligible, will offer themselves for re-election at the AGM.

Among the Retiring Directors, Mr. Lin Keping has served as independent non-executive Director since 2004. Notwithstanding his length of tenure, Mr. Lin continues to demonstrate the attributes of being independent in character and judgment on the Company's affairs and fulfil the independence guidelines set out in Rule 3.13 of the Listing Rules as 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. Lin is still independent and recommends him for re-election at the AGM.

The re-election of 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 3 September 2018, ordinary resolutions were passed to grant the general mandates to the Directors to issue and buy back Shares. These general mandates will lapse at the conclusion of the AGM.

The Directors believe that the 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 206,747,688 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 41,349,537 Shares and buy back up to 20,674,768 Shares.

LETTER FROM THE BOARD

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 SHARE OPTION SCHEME

Currently, the Company has no share option scheme. The Directors propose to adopt the Share Option Scheme which will be put to the Shareholders for approval at the AGM.

So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting for the ordinary resolution to approve the adoption of the Share Option Scheme. None of the Directors is trustee of the Share Option Scheme or has a direct or indirect interest in the trustee, if any.

Application will be made to the Stock Exchange for the approval of the listing of and permission to deal in the Shares to be issued pursuant to the exercise of options granted under the Share Option Scheme. Implementation of the Share Option Scheme is subject to such approval being granted. With respect of the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

The Directors believe that attracting and motivating high quality personnel is a key in the success and growth of the Company. The Directors believe that the Share Option Scheme could provide Eligible Participants (as defined in paragraph (a)(ii) in Appendix III to this circular) with the opportunity of participating in the growth of the Company by acquiring shares in the Company and could, in turn, assist in the attraction and retention of Eligible Participants who have made contribution to the success of the Company. The purpose of the Share Option Scheme is to provide incentives to Eligible Participants to contribute further to the Company. The rules of the Share Option Scheme provide that the Board is empowered with the authority to determine the eligibility of any of the Eligible Participants based on our Directors' opinion as to his contribution to the development and growth of our Company. In addition, the Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised. However, the Board may, on a case by case basis and at its discretion, determine such term(s) and impose such other restrictions on the grant of an option. The Board believes that the authority given to the Board under the Share Option Scheme to specify any minimum holding period and/or performance targets as conditions in any option granted and the requirement for a minimum subscription price as well as the selection criteria prescribed by the rules of the Share Option Scheme will serve to protect the value of the Company as well as to achieve the purpose of the Share Option Scheme. The Share Option Scheme also sets out the basis of determining the exercise price of an option.

As at the Latest Practicable Date, no options have been granted or agreed to be granted under the Share Option Scheme.

LETTER FROM THE BOARD

The Directors consider that it is not appropriate to state the value of all options that can be granted pursuant to the Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the options as at the Latest Practicable Date will not be meaningful to Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the exercise period, any lock-up period, any performance targets set and other relevant variables such as the options may become lapsed or cancelled prior to the normal expiry of their respective exercise periods on the happening of certain events as specified in the Share Option Scheme which are not predictable or controllable by the Directors.

A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. This serves as a summary of the terms of the Share Option Scheme but does not constitute the full terms of the same. The Share Option Scheme will be available for inspection at the registered office of the Company at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

In accordance with the requirements of the Listing Rules, the Company will publish an announcement on the websites of the Company and HKExnews on the outcome of the AGM in relation to the adoption of the Share Option Scheme following the AGM.

ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 24 to 28 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the Issue Mandates, the Buy-back Mandate and the adoption of the Share Option Scheme 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 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.

LETTER FROM THE BOARD

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 the Buy-back Mandate and (iii) the adoption of the Share Option Scheme 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
Yangtzekiang Garment 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 206,747,688 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 20,674,768 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 2019, 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, Mr. Chan Wing Fui, Peter, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man, Mr. Chan Wing Sun, Samuel and Madam Chan Suk Ling, Shirley and their close associates (collectively, the “**Chan Family**”) are together interested in approximately 53.90% 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 59.90% 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-back 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-backs 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:

| | Highest per share HK\$ | Lowest per share HK\$ |
|--|---------------------------------------|--------------------------------------|
| 2018 | | |
| July | 2.930 | 2.790 |
| August | 3.200 | 2.790 |
| September | 3.190 | 2.820 |
| October | 3.190 | 2.800 |
| November | 2.920 | 2.800 |
| December | 3.250 | 2.800 |
| 2019 | | |
| January | 3.560 | 3.060 |
| February | 3.500 | 3.110 |
| March | 3.470 | 3.200 |
| April | 3.800 | 3.280 |
| May | 3.830 | 3.500 |
| June | 3.800 | 3.430 |
| July (up to the Latest Practicable Date) | 3.700 | 3.470 |

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

Mr. Chan Wing Kee, *GBM, GBS, OBE, JP*, aged 72, received a Bachelor's degree in Industrial Engineering in 1970. He joined the Group in 1970 as Production Manager and later became Sales Manager. He was appointed as Director in 1977 and Managing Director in 1987 and has held directorships in a number of subsidiaries of the Group. 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; Ex-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 YGM Trading Limited (stock code: 00375) and an independent non-executive director of Kingboard Holdings Limited (formerly known as Kingboard Chemical Holdings Limited) (stock code: 00148), whose shares are listed on the Stock Exchange. Mr. Chan was an independent non-executive director of China Travel International Investment Hong Kong Limited (stock code: 00308) from August 2007 to October 2018, whose shares are listed on the Stock Exchange.

If Mr. Chan shall be re-elected as executive Director at the AGM, Mr. Chan will continue to act as a member of the Risk Management Committee, the Remuneration Committee and the Nomination Committee of the Company.

Information relating to Mr. Chan's relationship with other Directors, senior management, substantial or controlling Shareholders of the Company, his 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 below in this appendix.

Save as disclosed herein, 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.

Mr. Chan Wing Sun, Samuel, *FCA*, aged 71, is an executive Director. He was the company secretary of the Group from 1974 to 1988 and has served as a Director since 1977. He also serves as a director in various subsidiaries of the Company. Mr. Chan received a bachelor's degree from the University of Manchester, the United Kingdom, in 1970 and qualified as a Chartered Accountant in 1973.

Mr. Chan is the Chairman of the board of directors of YGM Trading Limited (stock code: 00375) and is the Chairman of the board of directors of Crater Gold Mining Limited, whose shares are listed on Australian Securities Exchange.

Information relating to Mr. Chan's relationship with other Directors, senior management, substantial or controlling Shareholders of the Company, his interests 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 below in this appendix.

Save as disclosed herein, 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.

Mr. Lin Keping, aged 80, has been an Independent Non-executive Director of the Company since 2004. Mr. Lin is an engineer, graduated from Beijing University of Posts and Telecommunications in 1963. He is a member of the Eighth National Committee of the Chinese People's Political Consultative Conference and an executive member of the Eighth All-China Federation of Industry and Commerce. He has served in postal and telecommunication research institutes, the Ministry of Posts and Telecommunications and other organisations for years, and was an executive vice president of China Minsheng Bank Corp. Ltd. Mr. Lin is an independent non-executive director of YGM Trading Limited (stock code: 00375).

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

Save as disclosed above, Mr. Lin did not hold any 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. Mr. Lin does not have any other relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

Information relating to Mr. Lin'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 below in this appendix.

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

Mr. Choi Ting Ki, aged 64, is a fellow member of the Hong Kong Institute of Certified Public Accountants. 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 partner 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 has been an Independent Non-executive Director of the Company since December 2012.

Mr. Choi is an independent non-executive director of YGM Trading Limited (stock code: 00375), whose shares are listed on the Stock Exchange. Mr. Choi was an independent non-executive director of Sinopec Shanghai Petrochemical Company Limited (stock code: 00338) from June 2014 to June 2017, whose shares are listed on the Stock Exchange.

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

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

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

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) of the Listing Rules.

Retiring Directors' relationship with other Directors, senior management, substantial or controlling Shareholders of the Company

Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel and Madam Chan Suk Ling, Shirley are siblings.

Mr. Chan Wing Kee, Mr. Chan Wing To and Madam Chan Suk Man are siblings. They are also the cousins of Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel and Madam Chan Suk Ling, Shirley.

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

Retiring Directors' interests in Shares

As at the Latest Practicable Date, interests in the Shares of the Retiring Directors 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 Shares</u> | | | <u>Other interests</u> |
|-------------------------|-------------------------------|-------------------------|----------------------------|------------------------|
| | <u>Personal interests (i)</u> | <u>Family interests</u> | <u>Corporate interests</u> | |
| Chan Wing Kee | 8,589,624 | 319,691 | – | (ii) & (iii) |
| Chan Wing Sun, Samuel | 6,089,244 | 250,000 | 3,604,415 | (ii) |
| Lin Keping | – | – | – | – |
| Choi Ting Ki | – | – | – | – |

Save as disclosed herein and as at the Latest Practicable Date, none of the Retiring Directors 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 Retiring Directors who are the beneficial owners.*
- (ii) *48,032,240 Shares were held by Chan Family Investment Corporation Limited (which is owned by Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man, Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley and other members of the Chan Family) and its subsidiaries.*
- (iii) *2,383,500 shares of the Company were held by Super Team International Limited which is indirectly owned by Messrs Chan Wing Kee, Chan Wing To, Madam Chan Suk Man 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 had not been 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 2019 received by Mr. Chan Wing Kee, Mr. Chan Wing Sun, Samuel, Mr. Lin Keping and Mr. Choi Ting Ki were HK\$2,471,000, HK\$60,000, HK\$150,000 and HK\$150,000 respectively (as disclosed in note 6 to the audited consolidated financial statements of the Company for the year ended 31 March 2019).

SHARE OPTION SCHEME**(a) Summary of terms**

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved at the Annual General Meeting:

(i) Purpose of the scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to the growth of our Group and to provide our Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to Eligible Participants (as defined below). Our Directors consider that it is appropriate to reward selected participants' contribution to our Group by granting share options to them since it will link the value of our Company with the interests of the selected participants and will provide them with an incentive to work for the interests of our Group.

(ii) Who may join

Our Directors (which expression shall, for the purpose of this summary, include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants ("**Eligible Participants**"), to take up options to subscribe for Shares:

- (aa) any employee (whether full-time or part-time, including any executive Director but excluding any non-executive Director) of our Company, any of our subsidiaries ("**Subsidiaries**") or any entity ("**Invested Entity**") in which our Group holds an equity interest ("**Eligible Employee**");
- (bb) any non-executive Director (including independent non-executive Directors) of our Company, any Subsidiary or any Invested Entity;
- (cc) any supplier of goods or services to any member of our Group or any Invested Entity;
- (dd) any customer of any member of our Group or any Invested Entity;
- (ee) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (ff) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity; and
- (gg) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity.

The eligibility of any of the Eligible Participants to the grant of options shall be determined by our Directors from time to time on the basis of our Directors' opinion as to his contribution to the development and growth of our Group.

APPENDIX III PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

(iii) *Maximum number of Shares*

- (aa) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of our Group shall not exceed 30% of the issued share capital of our Company from time to time.
- (bb) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme. Options lapsed in accordance with the terms of the Share Option Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.
- (cc) Subject to paragraph (aa) above but without prejudice to paragraph (dd) below, our Company may issue a circular to its Shareholders and seek approval of its Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options scheme of our Group shall not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted. The circular sent by our Company to its Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (dd) Subject to paragraph (aa) above and without prejudice to paragraph (cc) above, our Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (cc) above to Eligible Participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2) (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

(iv) Maximum entitlement of each participant

Subject to paragraph (v)(bb) below, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being (“**Individual Limit**”). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders’ approval in general meeting of our Company with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

(v) Grant of options to connected persons

(aa) Without prejudice to paragraph (bb) below, any grant of options under the Share Option Scheme to a director, chief executive or substantial shareholder of our Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the option).

(bb) Without prejudice to paragraph (aa) above, where any grant of options to a substantial shareholder or an independent non-executive director of our Company or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of options must be approved by the Shareholders in general meeting. Our Company must send a circular to the Shareholders. The grantee, his associates and all connected persons of our Company must abstain from voting in favour at such general meeting. Any change in the terms of options granted to a substantial shareholder or an independent non-executive director of our Company or any of their respective associates must be approved by the Shareholders in general meeting.

(vi) Time of acceptance and exercise of option

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(vii) Performance targets

Unless our Directors otherwise determined and stated in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

(viii) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme shall be determined at the discretion of our Directors, provided that it shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five Business Days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(ix) Ranking of Shares

- (aa) Shares allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles of Association and will rank pari passu in all respects with the fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the completion of the registration of the grantee on the register of members of our Company as the holder thereof.
- (bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary share capital of our Company of such nominal amount as shall result from a sub-division, consolidation, re-classification, reduction or re-construction of the share capital of our Company from time to time.

(x) Restrictions on the time of grant of options

Our Company may not make any offer for grant of options after inside information has come to our knowledge until our Company has announced the information. In particular, our Company may not make any offer during the period commencing one month immediately before the earlier of (aa) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under the Listing Rules) for approving our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (bb) the deadline for our Company to announce our results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement.

Our Directors may not make any offer to an Eligible Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(xi) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

(xii) Rights on ceasing employment

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in sub-paragraph (xiv) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless our Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with our Company, the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not.

Eligible Employee means any employee (whether full time or part time employee, including any executive director but not any non-executive director) of our Company, any of its Subsidiaries or any Invested Entity.

(xiii) Rights on death, ill-health or retirement

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was at work with our Company, the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as our Directors may determine.

(xiv) Rights on dismissal

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of persistent and serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the grantee or our Group or the Invested Entity into disrepute), his option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

(xv) Rights on breach of contract

If our Directors shall at their absolute discretion determine that (aa) the grantee of any option (other than an Eligible Employee) or his close associate (or his associates if the grantee is a connected person) has committed any breach of any contract entered into between the grantee or his close associate on the one part and our Group or any Invested Entity on the other part; or (bb) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (cc) the grantee could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by other reason whatsoever, then the option granted to the grantee under the Share Option scheme shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above.

(xvi) Rights on a general offer, a compromise or arrangement

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, our Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, shareholders of our Company. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company in exercise of his option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes or the relevant record date for entitlements under the scheme of arrangement, as the case may be.

(xvii) Rights on winding up

In the event of a resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to our Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and our Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of our Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of our Company.

(xviii) Grantee being a company wholly owned by Eligible Participants

If the grantee is a company wholly owned by one or more Eligible Participants:

- (i) sub-paragraphs (xii), (xiii), (xiv) and (xv) shall apply to the grantee and to the options to such grantee, mutatis mutandis, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in sub-paragraphs (xii), (xiii), (xiv) and (xv) shall occur with respect to the relevant Eligible Participant; and
- (ii) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that our Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(xix) Adjustments to the subscription price

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of our Company whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to our Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the Share Option Scheme and the option so far as unexercised and/or the option price of the option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such adjustment; (ii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iii) the issue of Shares or other securities of our Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange.

(xx) Cancellation of options

Any cancellation of options granted but not exercised must be subject to the consent of the relevant grantee and the approval of our Directors.

When our Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to sub-paragraphs (iii) (cc) and (dd) above.

(xxi) Termination of the Share Option Scheme

Our Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(xxii) Rights are personal to the grantee

An option is personal to the grantee and shall not be transferable or assignable.

(xxiii) Lapse of options

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (vi);
- (bb) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvii) and (xviii);
- (cc) the date on which our Directors shall exercise our Company's right to cancel the option by reason of a breach of paragraph (xxii) by the grantee in respect of that or any other options.

(xxiv) Others

- (aa) The Share Option Scheme is conditional on the Stock Exchange granting the listing of and permission to deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.
- (bb) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

- (dd) The amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules, the “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule” set out in the letter from the Stock Exchange to all listed issuers dated 5 September 2005 and other relevant guidance of the Stock Exchange.
- (ee) Any change to the authority of our Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by the Shareholders in general meeting.

(b) Present status of the Share Option Scheme

(i) Approval of the Stock Exchange required

The Share Option Scheme, which complies with Chapter 17 of the Listing Rules, is conditional on the Stock Exchange granting the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, such number being not less than that of the General Scheme Limit.

(ii) Application for approval

Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued within the General Scheme Limit pursuant to the exercise of any options which may be granted under the Share Option Scheme.

(iii) Grant of option

As at the date of this Circular, no options have been granted or agreed to be granted under the Share Option Scheme.

(iv) Value of options

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

NOTICE OF ANNUAL GENERAL MEETING

長江製衣有限公司 YANGTZEKIANG GARMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00294)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of the members of YangtzeKiang Garment Limited (the “**Company**”) will be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on Wednesday, 18 September 2019 at 12:00 noon 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 2019;
2. To approve and declare a final dividend for the year ended 31 March 2019;
3. To re-elect the directors of the Company named below (each as a separate resolutions):
 - (a) Mr. Chan Wing Kee as an executive director of the Company;
 - (b) Mr. Chan Wing Sun, Samuel as an executive director of the Company;
 - (c) Mr. Lin Keping, who has already served the Company for more than nine years, as an independent non-executive director of the Company; and
 - (d) 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 members of the committees of Directors;

4. To re-appoint KPMG as 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 (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 of the capital of the Company (“**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;

NOTICE OF ANNUAL GENERAL MEETING

- (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% 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 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 an 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).”;

NOTICE OF ANNUAL GENERAL MEETING

(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 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.”;
- (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 this notice 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

(D) “**THAT:**

- (a) conditional upon the Stock Exchange granting the listing of and permission to deal in the shares falling to be allotted and issued pursuant to the share option scheme (the “**Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options and to allot, issue and deal in the shares as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the Share Option Scheme; and
- (b) the aggregate nominal amount of share capital to be allotted and issued pursuant to paragraph (a) above, together with any issue of shares upon the exercise of any options granted under any other share option schemes of the Company as may from time to time be adopted by the Company, shall not exceed 10% of the shares in issue as at the date of passing of this resolution.”

By Order of the Board
Yangtzekiang Garment Limited
Hui Sau Ling
Secretary

Hong Kong, 25 July 2019

As at the date of this notice, the Board comprises of seven executive Directors, namely Mr. Chan Wing Fui, Peter, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man, Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley and Mr. So Ying Woon, Alan and four Independent Non-executive Directors, namely Mr. Lin Keping, Mr. Choi Ting Ki, Mr. So Stephen Hon Cheung and Mr. Li Guangming.

NOTICE OF ANNUAL GENERAL MEETING

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 Friday, 13 September 2019 to Wednesday, 18 September 2019, 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 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 4:30 p.m. on Thursday, 12 September 2019.
- (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 AGM or any adjournment thereof.
- (d) The transfer books and register of members of the Company will be closed from Tuesday, 24 September 2019 to Thursday, 26 September 2019, 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 Friday, 4 October 2019 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, 26 September 2019, 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 4:30 p.m. on Monday, 23 September 2019.
- (e) With regard to paragraph 5 of the above notice, attention is drawn to the circular regarding the general mandate to buy back Shares and to issue Shares which will be sent to the shareholders of the Company in due course.