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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 Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on Friday, 14 September 2012 at 12:15 p.m. for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements, the directors’ report and the independent auditor’s report for the year ended 31 March 2012;
2. To approve and declare a final dividend for the year ended 31 March 2012;
3. To re-elect the retiring directors of the Company named below:
 - (a) Madam Chan Suk Ling Shirley;
 - (b) Mr. Fu Sing Yam William;
 - (c) Mr. Chan Wing To; and
 - (d) Mr. Lin Keping;

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
- (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.”

6. As special business, to consider and, if thought fit, pass (with or without modification) the following resolutions as special resolutions:

“**THAT** the existing Articles of Association of the Company be and are hereby amended in the following manner:

(a) by deleting the definition of “associate” in Article 2 in its entirety and substituting therefor the following:

““associate” in relation to any Director, shall have the meaning ascribed to it under the Listing Rules;

“business day” shall mean any day on which the Stock Exchange of Hong Kong Limited is open for the business of dealing in securities. For the avoidance of doubt, where the Stock Exchange of Hong Kong Limited is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, such day shall for the purposes of these Articles be counted as a business day;

“Listing Rules” shall mean Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time;

“substantial shareholder” shall mean a person who is entitled to exercise, or control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company;

“electronic communication” shall mean a communication sent by electronic transmission in any form through any medium;”

(b) by revising Article 68 as follows:

- (i) by deleting the word “one” immediately after the word “twenty” and substituting therefor the words “clear business” in the second line; and
- (ii) by deleting the word “fourteen” immediately after the words “at least” and substituting therefor the words “ten clear business” in the fifth line;

(c) by deleting Article 75 in its entirety and substituting therefor the following:

“At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll, save that the Chairman of the Meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. For the purposes of these Articles, procedural and administrative matters are those that: (i) are not on the notice of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) which relate to the duties of the Chairman of the Meeting to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.

Where a show of hands is allowed by the Chairman of the Meeting, before or on the declaration of the result of the show of hands, a poll may be demanded:

- (i) by at least three members present in person by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (ii) by any member or members present in person by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iii) by a member or members present in person by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Where a show of hands is allowed by the Chairman of the Meeting, unless a poll be so demanded and not withdrawn, a declaration by the Chairman of the Meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”;

(d) by revising Article 76 as follows:

- (i) by inserting the words “taken or” immediately after the word “If a poll is” in the first line; and
- (ii) by inserting the words “The results of the poll shall be published in accordance with the requirements of the Listing Rules.” after the words “whichever is the earlier”;

- (e) by revising Article 77 as follows:
 - (i) by inserting the words “by members pursuant to Article 75 or” immediately after the words “Any poll duly demanded” in the first line; and
 - (ii) by deleting the word “a” immediately after the words “the election of” and substituting therefore the word “the” in the first line;
- (f) by revising Article 81, Article 170 and Article 172 by replacing references to “the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time” with “the Listing Rules”;
- (g) by revising Article 90 by inserting the words “to demand poll or” immediately after the words “upon the proxy” in the second line and the words “instruct the proxy” in the eighth line;
- (h) by revising Article 103(B)(ii) by deleting the words “, and if he shall do so his vote shall not be counted” in the third line;
- (i) by deleting Article 103(B)(ii)(c) in its entirety and substituting therefor the words “INTENTIONALLY DELETED”;
- (j) by revising Article 103(B)(iii) by deleting Articles 103(B)(iii)(a) to (c) in their entirety and substituting therefor the following:

“If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting or his associate(s) such question shall be decided by a resolution of the Board (for which purpose such chairman and any of the other directors present who are materially interested in the contract or arrangement in question shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or his associate(s) as known to such chairman has not been fairly disclosed to the Board.”

- (k) by revising Article 108 as follows:
 - (i) by adding the words “or a member of the Company” immediately after the words “the Board” in the second line; and
 - (ii) by adding the words “a member’s” immediately after the word “unless” in the third line;

- (l) by deleting Article 127 in its entirety and substituting therefor the following:

“A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director and alternate Director either in writing or by telephone or by telex or telegram or facsimile transmission or electronic communication at the address from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine. A Director may waive notice of any meeting and any such waiver may be prospective or retrospective.”;

- (m) by revising Article 131 by deleting the words “, with the consent of the Company in general meeting,” in the fourth line;

- (n) by deleting Article 135 in its entirety and substituting therefor the following:

“A resolution in writing signed by all the Directors except such as are absent from Hong Kong or temporarily unable to act through ill-health or disability (or their alternate Directors) shall (so long as they constitute a quorum as provided in Article 126) be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. A resolution signed by a Director and transmitted to the Company by post or facsimile transmission or electronic communication shall be deemed to be a document signed by him for the purpose of this Article. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”;

- (o) by deleting Article 138 in its entirety and substituting therefor the following:

“The Secretary shall be an individual who ordinarily reside in Hong Kong and by virtue of his academic or professional qualifications or relevant experience is capable of discharging the functions of the company secretary or such other requirements in compliance with the Listing Rules.”;

- (p) by deleting the words “notwithstanding that it may be a date prior to that” after the words “on a particular date,” and substituting therefor the words “which shall be at least three business days after the date” in the fifth line of Article 160;

- (q) by deleting Article 167 in its entirety and substituting therefor the following:

“Auditors shall be appointed at each annual general meeting to hold office from the conclusion of that meeting until the next annual general meeting and their duties regulated in accordance with the provisions of the Companies Ordinance. The Auditors so appointed shall not be removed before the end of the next annual general meeting unless a resolution has been passed by the members at a general meeting approving such removal.”

7. As special business, to consider and, if thought fit, pass (with or without modification) the following resolutions as special resolutions:

“**THAT** the amended and restated articles of association of the Company (the “Amended and Restated Articles”) in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to in Resolution No. 6 set out in this notice and all previous amendments made pursuant to resolutions passed by the members of the Company at general meetings (if any) be approved and adopted as the new Amended and Restated Articles in substitution for and to the exclusion of the existing articles of the association of the Company with immediate effect.”

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

Hong Kong, 23 July 2012

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 three independent non-executive Directors, namely Mr. Leung Hok Lim, Mr. Lin Keping and Mr. Sze Cho Cheung Michael.

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 Monday, 10 September 2012 to Friday, 14 September 2012, 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 4:30pm on Friday, 7 September 2012.*
- (b) *A member entitled to attend and vote at the above meeting may appoint more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.*
- (c) *In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be deposited at the registered office of the Company at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
- (d) *The transfer books and register of members of the Company will be closed from Thursday, 20 September 2012 to Monday, 24 September 2012, 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 Thursday, 4 October 2012 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 Monday, 24 September 2012, 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 4:30pm on Wednesday, 19 September 2012.*
- (e) *With regard to paragraph 5 of the above notice, attention is drawn to the circular regarding the general mandate to repurchase Shares and to issue Shares which will be sent to shareholders of the Company in due course.*