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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 RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of the Company to be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on Friday, 14 September 2012 at 12:15 p.m. is set out on pages 14 to 20 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.

23 July 2012

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DEFINITIONS

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

“AGM”	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, 14 September 2012 at 12:15 p.m., notice of which is set out on pages 14 to 20 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company as amended from time to time;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	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;
“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;
“Latest Practicable Date”	18 July 2012, 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 the Growth Enterprise Market of the Stock Exchange;
“Retiring Directors”	the Directors who will retire from the Board by rotation at the AGM, namely, Madam Chan Suk Ling Shirley, Mr. Fu Sing Yam William, Mr. Chan Wing To and Mr. Lin Keping;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

DEFINITIONS

“Shares”	ordinary share(s) of HK\$0.50 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

LETTER FROM THE BOARD

YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

Executive Directors:

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

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

23 July 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
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: (a) ordinary resolutions in respect of (i) the re-election of the Retiring Directors and (ii) the grant of the Issue Mandates and the Repurchase Mandate (such terms as defined hereinafter); and (b) special resolutions in respect of the amendments to the Articles of Association.

RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 104 of the Articles of Association, Madam Chan Suk Ling Shirley, Mr. Fu Sing Yam William, Mr. Chan Wing To and Mr. Lin Keping will retire from the Board by rotation and, being eligible, will offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

The re-election of each of the Retiring Directors will be individually voted on by the Shareholders.

Information of the Retiring Directors 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 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 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 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 1 September 2011, 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 hereinafter) (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 165,836,792 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 33,167,358 Shares and repurchase up to 16,583,679 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 resolutions for approving the Issue Mandates and the Repurchase Mandate is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Special resolutions will be proposed at the AGM for your approval to amend the Articles of Association in order to (i) ensure compliance with the recent amendments to the Listing Rules relating to corporate governance and fixing of record date for entitlements subject to shareholders' approval, and (ii) facilitate arrangement of the Company's general meetings; and to adopt a new set of the Articles of Association in order to incorporate into the existing Articles of Association the aforementioned amendments.

Details of the amendments to the Articles of Association are set out in the notice of the AGM and the major amendments are summarised as follows:

- (i) any vote of shareholders in a general meeting must be taken by poll, except where the chairman of the general meeting, 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;
- (ii) the exemption that a director and his associates may vote and be counted as quorum on any board resolution for approving any contract or arrangement or any other proposal with a Company of which he and his associates are interested in no more than 5% of the issued shares or voting rights is removed;
- (iii) the record date of any entitlements to be approved by the shareholders shall be at least three business days after the date of the relevant general meeting;
- (iv) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining shareholders' approval at a general meeting;
- (v) a physical board meeting is required in lieu of written resolutions where a director or substantial shareholder has a conflict of interest in a matter to be considered by the board which the board has determined to be material; and
- (vi) the Company is required to arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.

Shareholders are advised that the Articles of Association are available only in English and the Chinese translation of the amendments to the Articles of Association provided in the notice of AGM in Chinese is for reference only. In case of any inconsistency, the English version shall prevail.

ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 14 to 20 of this circular. Ordinary resolutions in respect of the re-election of the Retiring Directors, the Issue Mandates and the Repurchase Mandate and special resolutions in respect of the amendments to the Articles of Association will be proposed at the AGM. A form of proxy for use at the AGM is enclosed herewith. Whether or not you are able to attend the AGM in person, you are requested to complete the accompanying form of proxy 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

LETTER FROM THE BOARD

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 Article 75 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or
- (ii) 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
- (iii) 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
- (iv) 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.

Under Rule 13.39(4) of the Listing Rules, 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 must announce the poll results in the manner prescribed under Rule 13.39(5) of the Listing Rules. In compliance with the Listing Rules, the chairman of the AGM shall demand the resolutions to be put to vote by poll in the AGM and the Company will announce the poll results accordingly.

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 ordinary resolutions for (i) the re-election of the Retiring Directors and (ii) grant of the Issue Mandates and Repurchase Mandate; and the proposed special resolution for the amendments to the Articles of Association are in the best interests of the Company and the Shareholders as a whole and, accordingly, recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

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 165,836,792 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 16,583,679 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 2012, 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 60.78% 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 67.53% 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 (as defined in the Listing Rules) 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:

	Highest per Share	Lowest per Share
	<i>HK\$</i>	<i>HK\$</i>
2011		
July	24.65	19.38
August	24.55	19.12
September	22.00	15.12
October	19.02	13.10
November	19.38	15.90
December	20.20	15.94
2012		
January	20.90	19.06
February	20.50	19.16
March	25.30	19.24
April	26.10	20.20
May	21.10	17.00
June	20.85	16.30
July (up to the Latest Practicable Date)	18.24	17.10

APPENDIX II INFORMATION OF THE RETIRING DIRECTORS TO BE RE-ELECTED

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

Chan Suk Ling Shirley, JP, aged 61, is the Chief Executive Officer and Executive Director of the Company. She also serves as a director in various subsidiaries of the Company. Madam Chan joined Yangtzekiang Garment Limited in 1973 and was appointed as the Director of Yangtzekiang Garment Limited in 1983. Madam Chan has extensive experience of management in the garment retail and wholesale business. She is a member of the Textiles Advisory Board of Hong Kong Special Administrative Region, the Chairman of the Garment Advisory Committee of the Hong Kong Trade Development Council, a member of the Hong Kong-France Business Partnership Committee of the Hong Kong Trade Development Council, the First Vice President of the Chinese Manufacturers' Association of Hong Kong, the Chairman of the Hong Kong Brand Development Council, a member of the Board of Directors of the Hong Kong Tourism Board, a Committee Member of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference, Vice President of the Guangdong Association of Enterprises with Foreign Investment and a member of the Council of City University of Hong Kong. She received a Bachelor's degree from Nottingham Trent University, the United Kingdom in 1973.

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

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

Information relating to Madam Chan's interests in Shares within the meaning of Part XV of the SFO and details of compensation and length of service as a Director set out in this appendix below.

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

Chan Wing To, PhD, aged 61, is an executive Director of the Company. Mr. Chan also serves as a director in various subsidiaries of the Company. He joined YGM Singapore in 1978 and was appointed as a Director of the Company in 1987. Mr. Chan received a Doctor of Philosophy degree in economics from the University of Rochester, USA in 1978. He has extensive experience in the textile and garment business.

Mr. Chan has been an executive director of Yangtzekiang Garment Limited since 1983, a company listed on the Stock Exchange, and certain of its subsidiaries. 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.

APPENDIX II INFORMATION OF THE RETIRING DIRECTORS TO BE RE-ELECTED

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

Information relating to Mr. Chan's interests in Shares within the meaning of Part XV of the SFO and details of compensation and length of service as a Director 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).

Fu Sing Yam William, aged 50, is an executive Director. Mr. Fu joined the Group in 1985 and was appointed as a Director in 1995 and the Deputy Managing Director of the Company in 2006 and was subsequently appointed as the Managing Director of the Company in 2010. Mr. Fu received a Bachelor's degree from the University of Western Ontario, Canada in 1984. He has extensive experience in fashion retailing, wholesaling, marketing and merchandising. Mr. Fu is a Committee Member of the Heilongjiang Provincial Committee of the Chinese People's Political Consultative Conference.

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

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

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

Lin Keping, aged 73, was appointed as an Independent Non-executive Director in 2004. Mr. Lin is an engineer, graduated from Beijing University of Post and Telecommunications in 1963. He is a Member of the 8th National Committee of the Chinese People's Political Consultation Conference and an executive member of the 8th All-China Federation of Industry and Commerce. He has served in postal and telecommunication research institutes, the Ministry of Posts and Telecommunications, and other organizations for years and was an executive vice president of China Minsheng Bank Corp Limited. He is an independent non-executive director of YangtzeKiang Garment Limited.

APPENDIX II INFORMATION OF THE RETIRING DIRECTORS TO BE RE-ELECTED

In the last three years, he has been an independent non-executive director of Yangtzekiang Garment Limited, a company listed on the Stock Exchange. Save as disclosed herein, Mr. Lin 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.

If Mr. Lin shall be re-elected as Independent Non-executive Director at the AGM. Mr. Lin 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. Lin does not have any relationships with any other Directors, senior management of the Company or substantial or controlling Shareholders.

Information relating to Mr. Lin's interests in Shares within the meaning of Part XV of the SFO are set out in this appendix below.

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).

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>Personal interests (i)</u>	<u>Family interests</u>	<u>Corporate interests</u>	<u>Other interests</u>
Chan Suk Ling Shirley	6,617,544	16,000	–	(ii) & (iii)
Fu Sing Yam William	2,075,462	–	–	(ii)
Chan Wing To	9,498,736	–	–	(ii), (iii) & (iv)
Lin Keping	25,000	–	–	–

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 Directors who are the beneficial owners.
- (ii) 34,932,700 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.

APPENDIX II INFORMATION OF THE RETIRING DIRECTORS TO BE RE-ELECTED

- (iii) *2,920,388 Shares were held by Hearty Development Limited which is indirectly owned by Mr. Chan Wing Fui, Peter, Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Ling, Shirley and other members of the Chan Family.*
- (iv) *1,597,000 shares were held by Super Team International Limited which is indirectly owned by Messrs Chan Wing Kee and Chan Wing To and other members of the Chan Family.*

Retiring Directors' service contracts

As at the Latest Practicable Date, the Retiring Directors had not entered into any service contract in writing with the Company and are 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 2012 received by Madam Chan Suk Ling Shirley, Mr. Fu Sing Yam William, Mr. Chan Wing To and Mr. Lin Keping were HK\$6,877,000, HK\$5,349,000, HK\$30,000 and HK\$80,000 respectively (as disclosed in note 7 to the financial statements of the Company for the year ended 31 March 2012). Share options may also be granted to the Retiring 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 Retiring Directors were mutually agreed upon between the Board and the relevant Retiring Directors with reference to the prevailing market conditions and past contributions of the Retiring Directors to the Group.

NOTICE OF ANNUAL GENERAL MEETING

YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the members of YGM Trading Limited (the “**Company**”) will be held at 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

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- (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;

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- (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;”

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(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”;

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- (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;

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- (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.”

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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.*