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YGM TRADING LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

Clarification announcement in respect of the Possible Acquisition and resumption of trading

The Board noted certain newspaper articles and media coverage relating to the Possible Acquisition and wishes to clarify that save for the LOI, no formal agreement in relation to the Possible Acquisition has been entered into by the parties as at the date of this announcement. **As the Formal Agreement may or may not be entered into, investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.**

The entering into of the Formal Agreement, if it materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement in respect of the Possible Acquisition will be made by the Company should the Formal Agreement has been entered into.

Trading in the shares in the Company was suspended at the request of the Company with effect from 9:40 a.m. on 25 May 2009 pending the release of this announcement. Application has been made to the Stock Exchange for a resumption of trading in the shares in the Company with effect from 9:30 a.m. on 26 May 2009.

This announcement is made pursuant to Rule 13.09 of the Rules (“**Listing Rules**”) Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited.

Possible Acquisition

The board (“**Board**”) of directors (“**Directors**”) of YGM Trading Limited (“**Company**”) noted certain newspaper articles and media coverage relating to the possible acquisition (“**Possible Acquisition**”) of the well-known brand “Aquascutum” from Renown Incorporated (“**Potential Vendor**”) and wishes to clarify that save for the signing of a letter of intent (“**LOI**”) by a subsidiary of the Company (“**Potential Purchaser**”) and the Potential Vendor in relation to the Possible Acquisition, no formal agreement in relation to the Possible Acquisition has been entered into by the parties as at the date of this announcement. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Potential Vendor is a third party independent of and not connected with the Company and its subsidiaries, the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules.

Currently, the Company and the Potential Purchaser are still in negotiations with the Potential Vendor on the terms of a formal agreement for the Possible Acquisition (“**Formal Agreement**”).

As the Formal Agreement may or may not be entered into, investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.

The entering into of the Formal Agreement, if it materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement in respect of the Possible Acquisition will be made by the Company should the Formal Agreement has been entered into.

Resumption of trading

Trading in the shares in the Company was suspended at the request of the Company with effect from 9:40 a.m. on 25 May 2009 pending the release of this announcement. Application has been made to the Stock Exchange for a resumption of trading in the shares in the Company with effect from 9:30 a.m. on 26 May 2009.

By Order of the Board
YGM Trading Limited
Chan Wing Sun Samuel
Director

Hong Kong, 25 May 2009

As at the date of this announcement, the Board comprises seven executive directors, namely Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Sun Samuel, Chan Suk Ling Shirley, Chan Wing Kee, Chan Wing To and Fu Sing Yam William, and, three independent non-executive directors, namely Leung Hok Lim, Wong Lam and Lin Keping.