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YGM TRADING LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00375)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO TRADEMARK LICENSING AND CONSIGNMENT SALES OF GOODS

TRADEMARK LICENSING AND CONSIGNMENT SALES OF GOODS

On 5 February 2024 (after trading hours), YGM Retail, a wholly-owned subsidiary of the Company, and Citimark Trading entered into (i) the Trademark License Agreement, pursuant to which YGM Retail grants to Citimark Trading a right to use the Ashworth-related Trademarks; and (ii) the Consignment Agreement, pursuant to which YGM Retail will make consignment arrangement with Citimark Trading in relation to the sales of certain Ashworth products and accessories.

IMPLICATIONS UNDER THE LISTING RULES

To the best of the Directors' knowledge after making all reasonable enquiries, as at the date of this announcement, Citimark Trading is owned as to 75% by Mr. Michael Chan and 25% by Mr. Jason Chan. Mr. Michael Chan is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being a brother of three executive Directors, namely Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Fui, Peter and Madam Chan Suk Ling, Shirley. Mr. Michael Chan is also a cousin of two other executive Directors, namely Mr. Chan Wing Kee and Mr. Fu Sing Yam, William. Mr. Jason Chan is (i) a son of Mr. Michael Chan; and (ii) a nephew of Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Fui, Peter and Madam Chan Suk Ling, Shirley, and a second cousin of Mr. Chan Wing Kee and Mr. Fu Sing Yam, William, each an executive Director.

Accordingly, the transactions contemplated under each of the CCT Agreements constitute continuing connected transactions of the Company. As the CCT Agreements were entered into between the same parties (i.e. YGM Retail and Citimark Trading) in relation to the Ashworth-related Trademarks and products, the transactions contemplated under the CCT Agreements would be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate of the highest combined annual caps of each of the CCT Agreements exceed 0.1% but all are less than 5%, the CCT Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Trademark License Agreement exceeds three years, the Company has appointed the Independent Financial

Adviser to review the Trademark License Agreement and confirmed that the 5-year term under the Trademark License Agreement is necessary and it is normal business practice for license agreements of this type to be of such duration.

TRADEMARK LICENSING AND CONSIGNMENT SALES OF GOODS

On 5 February 2024 (after trading hours), YGM Retail, a wholly-owned subsidiary of the Company, and Citimark Trading entered into (i) the Trademark License Agreement, pursuant to which YGM Retail grants to Citimark Trading a right to use the Ashworth-related Trademarks; and (ii) the Consignment Agreement, pursuant to which YGM Retail will make consignment arrangement with Citimark Trading in relation to the sales of certain Ashworth products and accessories.

THE TRADEMARK LICENSE AGREEMENT

Date

5 February 2024

Parties

1. YGM Retail, as the licensor
2. Citimark Trading, as the licensee

As at the date of this announcement, Citimark Trading is owned as to 75 % by Mr. Michael Chan and 25% by Mr. Jason Chan. Mr. Michael Chan is a brother of three executive Directors, namely Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Fui, Peter and Madam Chan Suk Ling, Shirley, and a cousin of two other executive Directors, namely Mr. Chan Wing Kee and Mr. Fu Sing Yam, William, whereas Mr. Jason Chan is a nephew of Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Fui, Peter and Madam Chan Suk Ling, Shirley, and a second cousin of Mr. Chan Wing Kee and Mr. Fu Sing Yam, William, each an executive Director.

Subject Matter

Pursuant to the Trademark License Agreement, YGM Retail grants to Citimark Trading:

- (i) a non-exclusive and non-transferable right, license and authority to use the Ashworth-related Trademarks (a) to design and have designed the Licensed Products in any part of the world; and (b) to manufacture and have manufactured the Licensed Products in the PRC strictly and exclusively for such Licensed Products to be delivered to Citimark Trading for the purpose of Dealings (as defined below) in the PRC; and
- (ii) an exclusive and non-transferable right to promote, market, advertise, package, distribute and sell the Licensed Products in the PRC, including but not limited to the right to sell the Licensed Products to consumers online for delivery within the PRC and Citimark Trading's own operated stores within the PRC (the "**Dealings**").

Term

The term for the Trademark License Agreement shall commence on 1 June 2024 (the “**Commencement Date**”) and be effective up to 31 May 2029 (the “**Initial Term**”). The Trademark License Agreement will be terminated automatically upon expiry of the Initial Term unless Citimark Trading gives not less than six months’ written notice to YGM Retail prior to the end of the Agreement Year Four (as defined below) of its intent to renew the Trademark License Agreement, subject to and conditional upon (a) the parties’ agreement on the amount of minimum royalty for each of the agreement year during the renewal term; and (b) the final approval by the Company, provided that Citimark Trading must have recorded an aggregate revenue from sales of the Licensed Products of not less than USD7,000,000 (equivalent to HKD54,600,000) by the end of Agreement Year Three (as defined below).

Royalty Fee and Payment Terms

Citimark Trading will pay YGM Retail royalty fees (the “**Earned Royalty**”) of five percent (5%) on the first USD10,000,000 (equivalent to HKD78,000,000) of the Net Total Invoiced Revenue¹, and thereafter at four percent (4%) of the Net Total Invoiced Revenue beyond and exceeding the amount of USD10,000,000 (equivalent to HKD78,000,000), of each Agreement Year (as defined below).

A non-refundable minimum royalty (the “**Minimum Royalty**”) will be payable by Citimark Trading to YGM Retail in each Agreement Year (as defined below) as follows:

- (a) for the period between the Commencement Date and 31 May 2025 (the “**Agreement Year One**”), (i) USD75,000 (equivalent to HKD585,000) within 14 days after signing of the Trademark License Agreement; (ii) USD75,000 (equivalent to HKD585,000) by 1 December 2024; and (iii) USD100,000 (equivalent to HKD780,000) by 31 May 2025, subject to deduction of marketing allowance up to USD100,000 (equivalent to HKD780,000) as evidenced by production of documentation(s) as may be required by YGM Retail;
- (b) for the year ending 31 May 2026 (the “**Agreement Year Two**”), (i) USD125,000 (equivalent to HKD975,000) by 1 June 2025; (ii) USD125,000 (equivalent to HKD975,000) by 1 December 2025; and (iii) USD50,000 (equivalent to HKD390,000) by 31 May 2026, subject to deduction of marketing allowance up to USD50,000

¹ For the purpose of this announcement:

(i) “Net Total Invoiced Revenue” means the sum of (a) the Net Retail Sales value, including value-added taxes less 60%; and (b) the Net Wholesale value, including value-added taxes, of the Licensed Products;

(ii) “Net Retail Sales” means the gross amount invoiced by the direct retail outlets of Citimark Trading or any affiliates or permitted sub-licensees of retail sales of the Licensed Products in the PRC, including direct internet online sales for delivery in the PRC less any documented returns and discounts to customer; and

(iii) “Net Wholesale” means the gross amount invoiced by Citimark Trading or any affiliates or sub-licensees of Citimark Trading for wholesale sales of Licensed Products in the PRC less any documented returns and discounts.

(equivalent to HKD390,000) as evidenced by production of documentation(s) as may be required by YGM Retail;

- (c) for the year ending 31 May 2027 (the “**Agreement Year Three**”), (i) USD175,000 (equivalent to HKD1,365,000) by 1 June 2026; and (ii) USD175,000 (equivalent to HKD1,365,000) by 1 December 2026;
- (d) for the year ending 31 May 2028 (the “**Agreement Year Four**”), (i) USD200,000 (equivalent to HKD1,560,000) by 1 June 2027; and (ii) USD200,000 (equivalent to HKD1,560,000) by 1 December 2027; and
- (e) for the year ending 31 May 2029 (the “**Agreement Year Five**”, together with the Agreement Year One, Agreement Year Two, Agreement Year Three and Agreement Year Four, the “**Agreement Years**” and each an “**Agreement Year**”), (i) USD250,000 (equivalent to HKD1,950,000) by 1 June 2028; and (ii) USD250,000 (equivalent to HKD1,950,000) by 1 December 2028.

If the Earned Royalty for an Agreement Year exceeds the Minimum Royalty for such Agreement Year, Citimark Trading will pay such excess royalty within sixty (60) days after the conclusion of each applicable Agreement Year together with the annual report of Citimark Trading for the relevant Agreement Year.

Pricing Basis

The royalty fee payable by Citimark Trading to YGM Retail under the Trademark License Agreement was determined after arm’s length negotiations between YGM Retail and Citimark Trading with reference to, among others:

- (i) Ashworth is an established and well-known brand with a strong customer base in the PRC;
- (ii) the scope of the license; in particular, Citimark Trading was granted an exclusive license to distribute and sell the Licensed Products in the PRC both online and offline;
- (iii) the royalty fees charged by other licensors to the Group for similar trademark licensing transactions and whether there is any similar trademark available for licensing;
- (iv) the estimated demand for the Licensed Products in the PRC prepared by the management of YGM Retail;
- (v) the historical profit margin of the Licensed Products; and
- (vi) the royalty fees charged by the Group to the Independent Third Parties for other comparable trademarks.

Historical Transaction Amounts

The Group had no prior transaction with Citimark Trading.

Annual Caps

The annual caps for the Earned Royalty (the “**Licensing Annual Caps**”) under the Trademark License Agreement for the period between the Commencement Date and 31 March 2025, the years ending 31 March 2026, 2027, 2028 and 2029 and the period between 1 April 2029 to 31 May 2029 are USD300,000 (equivalent to HKD2,340,000), USD500,000 (equivalent to HKD3,900,000), USD800,000 (equivalent to HKD6,240,000), USD1,020,000 (equivalent to HKD7,956,000), USD1,020,000 (equivalent to HKD7,956,000) and USD340,000 (equivalent to HKD2,652,000), respectively.

In determining the Licensing Annual Caps, the Directors have considered (i) the sales record of Ashworth-related products in the PRC for the year ended 31 March 2023 of approximately USD7,800,000 (equivalent to HKD60,840,000); and (ii) the projected net proceeds from the sale of the Licensed Products through various channels operated by Citimark Trading to the end customers.

THE CONSIGNMENT AGREEMENT

Date

5 February 2024

Parties

1. YGM Retail, as the consignor
2. Citimark Trading, as the consignee

Subject Matter

Pursuant to the Consignment Agreement, YGM Retail shall consign certain goods namely T-shirts and knit-shirts, blousons, pants, leather goods and belts, skirts, vests, body wears and socks, etc. bearing the Ashworth-related Trademarks (the “**Consignment Goods**”) to Citimark Trading (or such entity as the Consignee may propose and approved by the Consignor) from time to time for sale on behalf of YGM Retail in the PRC. The Consigned Goods will mainly comprise out-of-season Ashworth-branded products which were intended to be sold in the PRC. The objective of the Consignment Agreement is to sell the remaining inventory of the Ashworth-branded products held by YGM Retail in the PRC after the discontinuation of the operations of its Ashworth retail stores in the PRC in 2024 (see “Reasons for and Benefits of the CCT Agreements” for further details).

Term

From 1 June 2024 to 31 May 2026

Price of Consignment Goods and Payment Terms

YGM Retail will debit Citimark Trading in its invoice with the price of the Consignment Goods plus cost of packing, including special packing at Citimark Trading’s request and the cost of freight and insurance effected by the YGM Retail. For the Spring and

Summer 2024 collection, YGM Retail will invoice Citimark Trading at its costs of the Consignment Goods plus 10% and for earlier collections at its costs plus 5%.

Invoices must be paid in RMB to YGM Retail or such payment must be credited to its account at a bank as YGM Retail may nominate from time to time within 15 days from the date of the written statement, which shall be issued by Citimark Trading not later than the 15th day of each month.

Basis of the Price of the Consignment Goods

The price of the Consignment Goods under the Consignment Agreement was determined after negotiation between YGM Retail and Citimark Trading on an arm's length basis with reference to (i) the objective of facilitating the sale of the remaining out-of-season Ashworth-branded inventory after the discontinuation of the operations of its Ashworth retail stores in the PRC in 2024; (ii) the estimated profit margin for the sale of out-of-season inventory; and (iii) the costs to be incurred by the Group under the consignment arrangement.

Historical Transaction Amounts

The Group had no prior transaction with Citimark Trading.

Annual Caps

The annual caps (the “**Consignment Annual Caps**”, together with the Licensing Annual Caps, the “**Annual Caps**”) for the invoiced amount under the Consignment Agreement for the period between the Commencement Date and 31 March 2025, the year ending 31 March 2026 and the period from 1 April 2026 to 31 May 2026 are USD702,000 (equivalent to HKD5,475,600), USD502,000 (equivalent to HKD3,915,600) and USD202,000 (equivalent to HKD1,575,600), respectively.

In determining the Consignment Annual Caps, the Directors have considered the following factors:

- (i) the amount of the remaining inventory of the Ashworth-branded products; and
- (ii) the estimate sales of the Consignment Goods under the Consignment Agreement prepared by the management of YGM Retail.

INFORMATION OF THE PARTIES

The Group and YGM Retail

The Group is principally engaged in the garment wholesaling and retailing, trademark ownership and licensing, property investment and provision of security printing, general business printing and trading of printing products.

YGM Retail is a limited liability company incorporated in Hong Kong whose principal business is trademark ownership and licensing. As at the date of this announcement, it is a wholly-owned subsidiary of the Company.

Citimark Trading

Citimark Trading is a limited liability company incorporated in Hong Kong whose principal business is investment holding and trading. As at the date of this announcement, Citimark Trading is owned as to 75% by Mr. Michael Chan and 25% by Mr. Jason Chan.

Each of Mr. Michael Chan and Mr. Jason Chan is a Hong Kong resident and merchant. Mr. Michael Chan has nearly 50 years of experience in the apparel industry and has been operating his own wholesale and retail business of a well-known French brand in the PRC (including Hong Kong and Macao) for more than 20 years. Mr. Jason Chan, the son of Mr. Michael Chan, also has extensive experience in managing branded apparel business and has established various online sales channels in the PRC.

OPINION FROM THE INDEPENDENT FINANCIAL ADVISER

On 5 February 2024, YGM Retail and Citimark Trading entered into the Trademark License Agreement, pursuant to which YGM Retail grants to Citimark Trading a right to use the Ashworth-related Trademarks for an initial term of five years from 1 June 2024 to 31 May 2029.

As the term of the Trademark License Agreement exceeds three years, the Company has appointed Centurion Corporate Finance Limited as the independent financial adviser to explain why a longer period is required and to confirm whether it is normal business practice for agreements of this type to be of such duration. Pursuant to Rule 14A.52 of the Listing Rules, the Independent Financial Adviser has formulated its opinion based on the following principal factors:

1. the Ashworth-related Trademarks granted by YGM Retail to Citimark Trading is an exclusive, non-transferable right, license and authority to use the Ashworth-related Trademarks to promote, market, advertise, package, distribute and sell the Licensed Products in the PRC, including but not limited to sell to consumers online for delivery within the PRC;
2. Citimark Trading will pay YGM Retail royalty fees of five percent (5%) on the first USD10,000,000 (equivalent to HKD78,000,000) of the Net Total Invoiced Revenue, and thereafter at four percent (4%) of the Net Total Invoiced Revenue beyond and exceeding the amount of USD10,000,000 (equivalent to HKD78,000,000), of each Agreement Year;
3. the royalty rates and marketing allowance are determined by the Directors, having considered the brand value of the Ashworth-related Trademarks, the license scope, royalty fees charged by other licensors, the PRC market demand for the Licensed Products, licensee's profit margin, competitive landscape of similar trademarks and arms-length negotiations;
4. the reasons for and benefits of a 5-year term for the Trademark License Agreement based on the discussion between the management of the Company and the Independent Financial Adviser, including but not limited:

- (i) **Brand Building and Stability:** Brands often require long-term investment and strategic planning to build and maintain their values. A longer licensing agreement provides stability and continuity for the licensee to invest in brand-building activities, which can lead to stronger brand recognition and market presence;
 - (ii) **Investment in Product Development:** Longer-term agreements allow the licensee to make significant investments in product development, marketing, and distribution, which may be necessary to fully capitalize on the brand's value;
 - (iii) **Market Penetration:** Building a brand presence and market penetration can take time, especially in the PRC market or with new product lines. A longer agreement allows the licensee to establish a foothold and expand the brand's reach;
 - (iv) **Relationship Building:** Longer term agreements foster strong relationships between the licensor and licensee, leading to better collaboration, trust and mutual understanding of each other's business objectives;
 - (v) **Consumer Confidence:** A longer term licensing agreement can signal stability and commitment to consumers, enhancing their confidence in the brand and its products; and
 - (vi) **Return on Investment:** For the licensee, a longer term agreement provides the opportunity to realize a higher return on its investment in marketing, product development and brand-building activities; and
5. the internal control procedures and corporate governance measures to be adopted by the Group in relation to the transactions contemplated under the CCT Agreements.

The Independent Financial Adviser has further reviewed trademark and branch license announcements of comparable discloseable, connected or continuing connected transactions published by five Hong Kong listed issuers which are engaged in similar trademark and brand licensing businesses in Hong Kong and Greater China area and noted that four of those comparable cases precedent had licensing terms longer than five years and the remaining one case precedent had licensing term of four years.

Based on the foregoing, the Independent Financial Adviser is of the view that it is commercially desirable for the Company to enter into the Trademark License Agreement for a longer term of five years and had the term of the Trademark License Agreement been limited to three years, it would likely to have been uncommercial, the result of which could possibly and adversely affect the interests of the Company and its Shareholders as a whole, given the amount of Earned Royalty is to be determined based on the Net Total Invoiced Revenue of the Licensed Products for each Agreement Year. The Independent Financial Adviser therefore is of the opinion that the 5-year term under the Trademark License Agreement is necessary and it is normal business practice for license agreements of this type to be of such duration.

REASONS FOR AND BENEFITS OF THE CCT AGREEMENTS

The Group owns the global intellectual property rights of the Ashworth brand.

As set out in the Company's 2022/23 annual report, despite the Group expanded the Ashworth brand into the PRC a few years ago, the Group suffered losses for operations of the Ashworth brand in the PRC due to the weak market during lockdown. At the same time, to enhance the Ashworth brand's international exposure, the Group has signed separate licensing agreements to distribute the Ashworth products in South Korea, North America and Europe. However, the turnover in the PRC market remains weak for the Ashworth brand.

After assessing the performance and losses incurred by the Group's Ashworth-brand operations in the PRC over the past few years, the Group has decided to discontinue the operations of its Ashworth retail stores in the PRC in 2024.

Against such background, the entering into the Trademark License Agreement will allow the Group to, through the licensing arrangement, maintain the presence of its Ashworth brand in the PRC market and take advantage of potential opportunities it offers while minimizing the risk associated with the direct management of the retail operations. In the meantime, the consigned sales of the out-of-season inventory of the Ashworth products under the Consignment Agreement will allow the Group to streamline the transition of the PRC operations of the Ashworth-brand to the new licensing model. This strategic move will enable the Group to refocus its resources and efforts in a way that aligns with its business objectives and long-term growth plans. The Directors are confident that this decision will position the Group for success and sustainability in the dynamic and evolving market landscape of the PRC.

The Directors (including the independent non-executive Directors) are of the view that (i) the terms of the CCT Agreements and the Annual Caps are fair and reasonable; and (ii) the continuing connected transactions contemplated under each of the CCT Agreements will be conducted in the ordinary course of business of the Group and in the interests of the Company and its shareholders as a whole.

Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Fui, Peter and Madam Chan Suk Ling, Shirley, who are siblings of Mr. Michael Chan, and Mr. Chan Wing Kee and Mr. Fu Sing Yam, William, who are cousins of Mr. Michael Chan, were regarded as potentially having a material interest in the CCT Agreements and accordingly abstained from voting on the board resolutions of the Company for considering and approving the entering into of the CCT Agreements and the transactions contemplated thereunder.

INTERNAL CONTROL MEASURES

The Group will adopt internal control procedures and corporate governance measures in relation to the transactions contemplated under the CCT Agreements in order to ensure that the pricing mechanism and terms of the transactions are fair and reasonable and no less favourable than the terms provided by any Independent Third Parties, so as to ensure that they serve the interests of the Company and its Shareholders as a whole. Such procedures and internal control measures mainly include:

- (i) the senior management of the Company shall be responsible for monitoring whether the terms of the CCT Agreements as agreed are fair and reasonable and no less favourable than those offered by Independent Third Parties and that the Annual Caps therein are not exceeded, and in accordance with the CCT Agreements and the pricing policies of the Company;

- (ii) the Company will supervise the transactions contemplated under the CCT Agreements. Specifically, the relevant personnel of the Company will review and assess the details of the transactions to ensure such transactions comply with the terms of the respective CCT Agreements. The chief executive officer of the Company will be responsible for monitoring and verifying the amount of sales of the Licensed Products as set out in the sales reports, inventories reports and advertising reports provided by Citimark Trading, and supervising the collection of royalties from Citimark Trading; the financial controller of the Company will monitor and confirm the invoice amounts of the consignment sales under the Consignment Agreement to ensure that pricing of the Consignment Goods are in line with the terms of the Consignment Agreement;
- (iii) the auditors of the Company will conduct annual review on the pricing of the CCT Agreements and the Annual Caps; and
- (iv) the independent non-executive Directors will conduct a review of the CCT Agreements to ensure that the such transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive directors) believe that the above measures will ensure that the transactions contemplated under the CCT Agreements will be conducted on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

To the best of the Directors' knowledge after making all reasonable enquiries, as at the date of this announcement, Citimark Trading is owned as to 75% by Mr. Michael Chan and 25% by Mr. Jason Chan. Mr. Michael Chan is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being a brother of three executive Directors, namely Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Fui, Peter and Madam Chan Suk Ling, Shirley. Mr. Michael Chan is also a cousin of two other executive Directors, namely Mr. Chan Wing Kee and Mr. Fu Sing Yam, William. Mr. Jason Chan is (i) a son of Mr. Michael Chan; and (ii) a nephew of Mr. Chan Wing Sun, Samuel, Mr. Chan Wing Fui, Peter and Madam Chan Suk Ling, Shirley, and a second cousin of Mr. Chan Wing Kee and Mr. Fu Sing Yam, William, each an executive Director.

Accordingly, the transactions contemplated under each of the CCT Agreements constitute continuing connected transactions of the Company. As the CCT Agreements were entered into between the same parties (i.e. YGM Retail and Citimark Trading) in relation to the Ashworth-related Trademarks and products, the transactions contemplated under the CCT Agreements would be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate of the highest combined annual caps of each of the CCT Agreements exceeds 0.1% but all are less than 5%, the CCT Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement the following expressions shall, unless the context requires otherwise, have the following meanings:

“Annual Caps”	the Consignment Annual Caps and the Licensing Annual Caps
“Ashworth-related Trademarks”	certain Ashworth related registered trademarks in the PRC owned by YGM Retail
“Board”	the board of Directors of the Company
“CCT Agreements”	the Trademark License Agreement and the Consignment Agreement
“Citimark Trading”	Citimark Trading Limited, a company incorporated in Hong Kong with limited liability
“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 (stock code: 375)
“Commencement Date”	1 June 2024
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consignment Agreement”	the consignment agreement dated 5 February 2024 entered into between YGM Retail and Citimark Trading in relation to the sales of certain Ashworth products and accessories
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	Centurion Corporate Finance Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities (as defined in the SFO), which has been appointed as the independent financial adviser for the purpose of Rule 14A.52 of the Listing Rules
“Independent Third Party”	a third party independent of the Company and connected persons of the Company
“Licensed Products”	certain products and accessories as more particularly described under the Trademark License Agreement, and any

	other products that may be agreed upon in writing by YGM Retail and Citimark Trading from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Jason Chan”	Mr. Chan Ka Shun, Jason
“Mr. Michael Chan”	Mr. Chan Wing Ming, Michael
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Trademark License Agreement”	the trademark license agreement dated 5 February 2024 entered into between YGM Retail as licensor and Citimark Trading as licensee in relation to the grant of right to use the Ashworth-related Trademarks
“YGM Retail”	YGM Retail Limited (長江零售有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“USD”	United States Dollars, the lawful currency of the United States

By order of the Board
YGM TRADING LIMITED
Chan Wing Sun, Samuel
Chairman

Hong Kong, 5 February 2024

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Chan Wing Sun, Samuel, Madam Chan Suk Ling, Shirley, Mr. Fu Sing Yam, William, Mr. Chan Wing Fui, Peter, and Mr. Chan Wing Kee; and three independent non-executive Directors, namely Mr. Choi Ting Ki, Mr. So Stephen Hon Cheung and Mr. Li Guangming.

Unless otherwise specified herein, translations of USD into HKD are made for illustration purposes at the rate of USD1:HKD7.8.