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**YesAsia Holdings Limited**

**喆麗控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 2209)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

The board (the “**Board**”) of directors (the “**Directors**”) of YesAsia Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2021. This announcement, containing the full text of the interim report of the Company for the six months ended 30 June 2021 (the “**Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to information to accompany preliminary announcements of interim results. Printed version of the Interim Report will be dispatched to the shareholders of the Company and available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at <https://www.hkexnews.hk> and of the Company at <https://www.yesasiaholdings.com> on or before 30 September 2021.

The Board is pleased to declare an interim dividend for the six months ended 30 June 2021 of HK\$0.05 per share in cash (the “**Interim Dividend**”). The Interim Dividend will be payable to shareholders whose names appear on the register of members of the Company at the close of business at 4:30 p.m. on Monday, 27 September 2021. The register of members of the Company will be closed from Wednesday, 22 September 2021 to Monday, 27 September 2021, both days inclusive, for the purposes of determining the entitlements of the shareholders of the Company to the Interim Dividend. In order to qualify for the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Tuesday, 21 September 2021. Further details of the Interim Dividend, record date and closure of register of members are set out in the Interim Report.

On behalf of the Board  
**Chu Lai King**  
Chairperson

Hong Kong, 26 August 2021

*As at the date of this announcement, the executive Directors are Mr. LAU Kwok Chu, Ms. CHU Lai King, and Ms. WONG Shuet Ha; the non-executive Directors are Mr. HUI Yat Yan Henry, Mr. LUI Pak Shing Michael, and Mr. POON Chi Ho; the independent non-executive Directors are Mr. CHAN Yu Cheong, Mr. SIN Pak Cheong Philip Charles, and Mr. WONG Chee Chung.*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### **Executive Directors**

Mr. Lau Kwok Chu (劉國柱) (*Chief Executive Officer*)  
Ms. Chu Lai King (朱麗琮) (*Chairperson*)  
Ms. Wong Shuet Ha (黃雪夏)

#### **Non-executive Directors**

Mr. Lui Pak Shing Michael (雷百成)  
Mr. Hui Yat Yan Henry (許日昕)  
Mr. Poon Chi Ho (潘智豪)

#### **Independent Non-executive Directors**

Mr. Chan Yu Cheong (陳汝昌)  
Mr. Sin Pak Cheong Philip Charles (冼栢昌)  
Mr. Wong Chee Chung (王子聰)

### AUDIT COMMITTEE

Mr. Wong Chee Chung (王子聰) (*Chairman*)  
Mr. Hui Yat Yan Henry (許日昕)  
Mr. Sin Pak Cheong Philip Charles (冼栢昌)  
Mr. Chan Yu Cheong (陳汝昌)

### REMUNERATION COMMITTEE

Mr. Chan Yu Cheong (陳汝昌) (*Chairman*)  
Mr. Poon Chi Ho (潘智豪)  
Mr. Wong Chee Chung (王子聰)  
Mr. Sin Pak Cheong Philip Charles (冼栢昌)

### NOMINATION COMMITTEE

Mr. Sin Pak Cheong Philip Charles (冼栢昌) (*Chairman*)  
Ms. Wong Shuet Ha (黃雪夏)  
Mr. Chan Yu Cheong (陳汝昌)  
Mr. Wong Chee Chung (王子聰)

### COMPANY SECRETARY

Mr. Ng Sai Cheong (伍世昌)

### AUTHORISED REPRESENTATIVES

Mr. Lau Kwok Chu (劉國柱)  
Mr. Ng Sai Cheong (伍世昌)

### AUDITOR

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Certified Public Accountants  
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### COMPLIANCE ADVISER

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39 Gloucester Road, Hong Kong

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
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Hong Kong

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking  
Corporation Limited  
DBS Bank (Hong Kong) Limited

### STOCK CODE

2209

### COMPANY'S WEBSITE

[www.yesasiaholdings.com](http://www.yesasiaholdings.com)

## KEY HIGHLIGHTS

- Revenue for the six-month period ended 30 June 2021 recorded growth of 28.3%
- Revenue from E-commerce platforms continued to grow by approximately 36.0%
- Gross profit margin for the six-month period ended 30 June 2021 improved by 1.4 percentage points
- Revenue from the United States and European Union countries increased by 49.8% and 72.4% for the six-month period ended 30 June 2021 respectively
- YesStyle Influencers reached approximately 161,000 in number, recording a net increase of 71,000 new influencers during the six-month period ended 30 June 2021, with revenue contribution by influencers grown by approximately 109.1% as compared with the corresponding period in 2020
- Became an official authorised retail partner of Etude from August 2021
- Launched Italian language website in August 2021

	Six-month period ended 30 June		
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000	Change (%)
Revenue	88,368	68,890	28.3
Gross profit	30,800	23,090	33.4
Gross profit margin <sup>(1)</sup>	34.9%	33.5%	1.4 percentage points
Profit before taxation	993	2,990	-66.8
Profit for the period	515	2,306	-77.7
Adjusted profit for the period <sup>(2)</sup>	1,813	1,769	2.5

Note:

- (1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Adjusted profit is the profit for the period excluding government subsidies and listing expenses.

## KEY HIGHLIGHTS

E-commerce Platforms <sup>(1)</sup>	Six-month period ended 30 June	
	2021	2020
Number of E-commerce platforms customers ( <i>Million</i> ) <sup>(2)</sup>	1.0	0.7
Average order size <sup>(3)</sup> ( <i>US\$</i> )	\$74.4	\$72.2
Acquisition cost per new customer <sup>(4)</sup> ( <i>US\$</i> )	\$10.7	\$7.1
Revenue generated by fashion and lifestyle products ( <i>US\$ Million</i> )	\$42.0	\$26.9
Revenue generated by beauty products ( <i>US\$ Million</i> )	\$42.6	\$35.0
Revenue generated by entertainment products on E-commerce platform ( <i>US\$ Million</i> )	\$3.0	\$2.5

Note:

- (1) Includes *YesStyle* (website and mobile app), *AsianBeautyWholesale* (website) and *YesAsia* (website)
- (2) A person is considered as customer on our E-commerce platform of a certain date if the first invoice of his/her/its order has been issued within the reporting period. A person who made his/her/its purchases on different E-commerce platforms is accounted as a separate E-commerce customer of each E-commerce platform and any anonymous person can register multiple accounts on each of the E-commerce platforms and be counted as multiple E-commerce customers.
- (3) The average order size equals to the total order amount divided by the number of orders (excluding canceled orders). Total order amount represents the amount paid by our customers for the value of products purchased, and before indirect tax payment, effects on foreign exchange, post-sale order refund and adjustments, and other accounting adjustments.
- (4) Marketing and promotion fees per new customer across all E-commerce platforms of the Group. A new customer is a customer if the first invoice of his/her/its first ever order has been issued within the Reporting Period. A guest visitor who made his/her purchase during different reporting periods without specific customer identification data are accounted as a new customer for each of the reporting periods.

YesStyle Platform	Six-month period ended 30 June	
	2021	2020
Number of <i>YesStyle</i> Mobile App downloads ( <i>Includes IOS and Android</i> )	816,000	747,000
Influencer Program expenses ( <i>US\$ Million</i> )	\$0.9	\$0.3
Revenue generated by the <i>YesStyle</i> Mobile App ( <i>US\$ Million</i> )	\$29.1	\$18.3
Revenue generated by influencers ( <i>US\$ Million</i> )	\$13.8	\$6.6



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the six-month period ended 30 June 2021 (the “**Reporting Period**”), our revenue was approximately US\$88.4 million (six-month period ended 30 June 2020: US\$68.9 million), representing a growth of approximately 28.3%. Revenue from E-commerce platforms continued to grow by approximately 36.0% on a year-on-year basis. The total number of E-commerce customers during the six-month period ended 30 June 2021 increased by approximately 0.3 million to approximately 1.0 million as compared to approximately 0.7 million customers during the six-month period ended 30 June 2020.

During the six-month period ended 30 June 2021, we expanded our investment in marketing to approximately US\$4.7 million (six-month period ended 30 June 2020: US\$2.7 million), representing approximately 5.4% of total E-commerce revenue (six-month period ended 30 June 2020: 4.2%).

For the purpose of expanding fulfilment capacity and enhancement of IT facilities, we spent approximately US\$1.1 million capital expenditures in logistics function and IT enhancement during the six-month period ended 30 June 2021. With the increase in capital expenditures and the expansion in warehouse and office space, our depreciation expenses was increased by approximately US\$1.0 million during the six-month period ended 30 June 2021.

We were awarded the “*Retail Asia Awards 2021 - Cosmetics Retailer of the Year - Hong Kong*” by *Retail Asia* magazine in July 2021. As at the Latest Practicable Date, the Group was appointed as an authorised global distributor (excluding Japan and Hong Kong) of Etude Corporation (“**Etude**”), a global leader in Korean cosmetic products. Our Italian language version of *YesStyle* website was launched in August 2021.

#### **YesStyle**

During the Reporting Period, we continued to work with many of suppliers from mainland China, South Korea and other countries to deliver a wide range of the latest fashion, lifestyle and beauty products to customers around the world. During the six-month period ended 30 June 2021, the revenue contributed from *YesStyle* increased by approximately 36.3% to approximately US\$81.1 million. The increase as compared to approximately US\$59.5 million for the corresponding period in 2020, was mainly due to the increase in the number of customers and the increase in average order size during the six-month period ended 30 June 2021. The new product group introduced by us in 2020 to cater our fashion-forward customers globally, namely “Western Fashion”, contributed revenue of approximately US\$5.7 million during the Reporting Period (six-month period ended 30 June 2020: US\$0.4 million), representing an increase of approximately 1,416.9%. The number of influencers grew to approximately 161,000 as at 30 June 2021, representing an increase of approximately 71,000 or 78.9% since the beginning of the Reporting Period. The number of *YesStyle* loyalty program members increased to approximately 5.1 million as at 30 June 2021, representing an increase of approximately 973,000 during the Reporting Period.

#### **AsianBeautyWholesale**

During the six-month period ended 30 June 2021, the revenue contributed by *AsianBeautyWholesale* to the Group increased by approximately 46.7% to approximately US\$3.5 million as compared to approximately US\$2.4 million for the corresponding period in 2020. The increase in revenue during the six-month period ended 30 June 2021 was mainly due to the increase of average order size.

### **YesAsia Platform**

During the six-month period ended 30 June 2021, the revenue contributed by *YesAsia* Platform to the Group increased by US\$0.5 million or 20.2% to approximately US\$3.0 million as compared to approximately US\$2.5 million for the corresponding period in 2020. The increase in revenue during the six-month period ended 30 June 2021 was mainly due to the revenue generated from the sales of new entertainment products released in 2021, which was originally scheduled to release in 2020 but the release was postponed to 2021 due to Covid-19.

### **Offline wholesale**

During the six-month period ended 30 June 2021, the revenue contributed by offline wholesale channel to the Group decreased by US\$3.7 million or 84.3% to approximately US\$0.7 million as compared to approximately US\$4.4 million during the corresponding period in 2020. The Group received a bulk purchase order that amounted to approximately US\$4.0 million which was placed by one of our offline wholesale customers in June 2020 for new entertainment products published by a Korean idol group. However, the Group did not receive such similar order during the six-month period ended 30 June 2021.

## **OUTLOOK AND STRATEGIES**

In 2020, we experienced surging demand when majority of the consumers stayed indoors and relied on E-commerce for their everyday needs. In 2021, as vaccination rates have been increasing, lock-downs have eased in certain Western countries and global economies have started to recover, it is anticipated that more consumers in the US and other countries will head back to restaurants, events and vacation destinations, and spending will shift to leisure activities and travel over online discretionary shopping in the short-run. The management expects that short-term revenue growth of the Group will be softened.

Nevertheless, COVID-19 has transformed consumer shopping habits to online channel, and the trend is expected to be global, fundamental and long-term. The management expects solid long-term growth in the E-commerce market going forward. The Group will continue to (i) expand and adjust its product offerings, in terms of product categories and brands; (ii) grow the *YesStyle* Influencer program; (iii) introduce Italian and other language versions of the *YesStyle* website to increase our geographic penetration; (iv) explore suitable business and investment opportunities to drive business growth; and (v) continue the deployment of the customer relationship management ("CRM") system to enable more effective marketing strategies.

Personalisation is a key factor for better user experience, resulting in targeted marketing to deliver the right messages and shows customers relevant products and promotions in real time. We have started to invest more in marketing software that helps us automate marketing processes, improve our data analysis, and give customers a better user experience. We use marketing software to provide website visitors with faster and more relevant search results and product suggestions that are more relevant to our customers, resulting in more items added to their shopping baskets for checkout.

Over the past few years, *YesStyle* has acquired millions of new customers from different geographical regions, age groups, genders, and preferred product categories lovers. The CRM system will help us to segment customer groups better, utilise customer data, communicate with customer groups effectively and run campaigns that are more relevant to our customers, with the goal of increasing customer conversion and revenue, and ultimately the lifetime value of our customer base. The CRM system will also help us to run our loyalty program effectively, design dedicated campaigns for our loyalty program and connect transactional and behavioural data for increasing customer lifetime value.



## MANAGEMENT DISCUSSION AND ANALYSIS

### REVENUE

Our revenue increased by 28.3% from approximately US\$68.9 million during the six-month period ended 30 June 2020 to approximately US\$88.4 million during the six-month period ended 30 June 2021. The increase in Group revenue was primarily attributable to the increase of approximately US\$22.7 million in revenue generated from sales of our fashion & lifestyle and beauty products on our *YesStyle* platforms. This increase was a result of our additional efforts to expand our marketing campaigns, which led to (i) the increase in new customers of our *YesStyle* platforms of approximately 50,000 on a year-on-year basis; (ii) the increase in average order size to approximately US\$74.4; and (iii) the increase in revenue generated from the United States and European Union countries, which was approximately US\$12.8 million or 49.8% year-on-year growth and US\$11.3 million or 72.4% year-on-year growth, respectively.

#### Revenue by Segment

The following table sets forth the breakdown of our revenue by business segments:

	Six-month period ended 30 June			
	2021		2020	
	(Unaudited) US\$'000	%	(Unaudited) US\$'000	%
Fashion & lifestyle and beauty products				
– <i>YesStyle</i> Platforms	81,082	91.8	59,506	86.4
– <i>AsianBeautyWholesale</i>	3,549	4.0	2,419	3.5
	84,631	95.8	61,925	89.9
Entertainment products				
– <i>YesAsia</i> Platform	3,041	3.4	2,529	3.7
– Offline wholesale	696	0.8	4,436	6.4
	3,737	4.2	6,965	10.1
<b>Total</b>	<b>88,368</b>	<b>100</b>	<b>68,890</b>	<b>100.0</b>

## COST OF SALES

Cost of sales of the Group during six-month period ended 30 June 2021 was approximately US\$57.6 million, representing an increase of approximately US\$11.8 million or 25.7%, as compared to approximately US\$45.8 million during the six-month period ended 30 June 2020.

The following table sets forth the breakdown of our cost of sales:

	Six-month period ended 30 June			
	2021 (Unaudited) US\$'000	%	2020 (Unaudited) US\$'000	%
Product costs	33,895	58.9	28,687	62.6
Freight charges	22,974	39.9	16,528	36.1
Packing materials	699	1.2	585	1.3
<b>Total</b>	<b>57,568</b>	<b>100.0</b>	<b>45,800</b>	<b>100.0</b>

## GROSS PROFIT AND GROSS MARGIN

Gross profit of the Group during six-month period ended 30 June 2021 was approximately US\$30.8 million, representing an increase of approximately US\$7.7 million or 33.4% as compared to approximately US\$23.1 million for the six-month period ended 30 June 2020. The gross profit margin improved by approximately 1.4 percentage points to approximately 34.9% (six-month period ended 30 June 2020: 33.5%).

The following table sets forth the breakdown of our gross profit by business segments:

	Six-month period ended 30 June			
	2021 (Unaudited) US\$'000	Gross Profit margin (%)	2020 (Unaudited) US\$'000	Gross Profit margin (%)
Fashion & lifestyle and beauty products	30,141	35.6	22,018	35.6
Entertainment products	659	17.6	1,072	15.4
<b>Total</b>	<b>30,800</b>	<b>34.9</b>	<b>23,090</b>	<b>33.5</b>

## OTHER INCOME AND OTHER GAINS AND LOSSES

Our other income and other gains decreased by 42.5% from approximately US\$0.6 million during the six-month period ended 30 June 2020 to approximately US\$0.4 million during the six-month period ended 30 June 2021. The decrease was primarily attributable to the decrease in government subsidies income of approximately US\$0.5 million, which was partially offset by the increase in credit card rebate reward of approximately US\$0.3 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SELLING EXPENSES

The Group's selling expenses for the Reporting Period were approximately US\$13.3 million (six-month period ended 30 June 2020: US\$8.5 million), representing an increase of approximately 56.8% as compared to that for the corresponding period in 2020. Such increase was mainly due to the increase in marketing and promotion fees to approximately US\$4.7 million (six-month period ended 30 June 2020: US\$2.7 million), the increase in warehouse wages to approximately US\$2.6 million (six-month period ended 30 June 2020: US\$1.5 million) and the increase in outsourced warehouse labour cost to approximately US\$2.5 million (six-month period ended 30 June 2020: US\$1.7 million) incurred for the Reporting Period as a result of the increase in the number of customer orders placed during the Reporting Period.

The following table sets forth the breakdown of our selling expenses:

	Six-month period ended 30 June			
	2021		2020	
	(Unaudited) US\$'000	%	(Unaudited) US\$'000	%
Marketing and promotion fees	4,704	35.3	2,734	32.2
Outsourced warehouse labor charges	2,605	19.6	1,468	17.3
Warehouse wages	2,459	18.5	1,716	20.2
Payment gateway charges	2,083	15.6	1,565	18.5
Custom duties	593	4.5	509	6.0
IT networking fee	537	4.0	267	3.1
Web content and translation fee	334	2.5	233	2.7
<b>Total</b>	<b>13,315</b>	<b>100.0</b>	8,492	100.0

### ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the Reporting Period were approximately US\$16.6 million (six-month period ended 30 June 2020: US\$12.1 million), representing an increase of approximately 38.1% as compared to that of the corresponding period in 2020. The increase was mainly due to the one-off listing expenses of approximately US\$1.3 million, the increase in staff costs of approximately US\$1.9 million and depreciation of property, plant and equipment and the right-of-use assets of US\$1.0 million incurred in the Reporting Period as a result of the leasing of additional warehouse and office space and the increase in capital expenditures for logistics and IT enhancement.

### FINANCE COSTS

The Group's finance costs for the Reporting Period were approximately US\$205,000 (six-month period ended 30 June 2020: US\$142,000), representing an increase of approximately 44.4% as compared to that of the corresponding period in 2020, reflecting an increase in lease interest for new office space leased during the Reporting Period.

## INCOME TAX EXPENSE

Income tax expense for the Reporting Period was approximately US\$478,000 (six-month period ended 30 June 2020: US\$684,000), representing a decrease of approximately US\$206,000 as compared to that of the corresponding period in 2020. The decrease was mainly due to the lower operating profit during the six-month period ended 30 June 2021. The overall effective tax rate of the Group was 48.1% (six-month period ended 30 June 2020: 22.9%). The higher effective tax rate for the Reporting Period was mainly due to the one-off listing expenses and the increase in equity-settled share-based payments, which was non-deductible for tax purpose.

## PROFIT FOR THE PERIOD

As a result of the foregoing, our profit decreased by 77.7% from approximately US\$2.3 million during the six-month period ended 30 June 2020 to approximately US\$515,000 during the six-month period ended 30 June 2021. The decrease was mainly attributable to (i) the increase in marketing expenses by approximately US\$2.0 million on a year-on-year basis; (ii) the incurrence of one-off listing expenses of approximately US\$1.3 million; and (iii) the absence of Government subsidies income of approximately US\$0.5 million during the Reporting Period.

## ADJUSTED PROFIT FOR THE PERIOD

Excluding the listing expenses during the six-month period ended 30 June 2021 and the government subsidies income in light of the outbreak of COVID-19 received during the six-month period ended 30 June 2020, the adjusted profit for the Reporting Period increased from approximately US\$1,769,000 for the six-month period ended 30 June 2020 to approximately US\$1,813,000, representing an increase of approximately 2.5% as compared to the corresponding period in 2020.

Adjusted profit is defined as profit excluding the impacts of one-off or non-recurring item(s). The Company believes that separate analysis, excluding the impact of such items, adds clarification to the underlying results of the Group and provides useful data for investors to assess the operating performance of the Group's business across reporting periods. This is an unaudited non-HKFRS financial measures which may be defined differently from similar terms used by other companies.

The following table sets forth the adjusted profit excluding listing expenses and government subsidies income during the six-month period ended 2020 and 2021:

	Six-month period ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
<b>Profit for the period</b>	<b>515</b>	2,306
Adjustments:		
Add: Listing expenses	<b>1,303</b>	–
Less: Government subsidies income	<b>(5)</b>	(537)
<b>Adjusted profit for the period</b>	<b>1,813</b>	1,769

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL EXPENDITURE

During the Reporting Period, the Group acquired plant and equipment of approximately US\$1.1 million (six-month period ended 30 June 2020: US\$0.9 million), representing an increase of approximately US\$162,000 as compared to that for the corresponding period in 2020 which was due to the additional office and warehouse space rented.

### LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity was cash from operations. As of 30 June 2021, the Group's bank and cash balances amounted to approximately US\$22.8 million (31 December 2020: US\$28.5 million), which were mainly denominated in Hong Kong Dollar, US Dollar, Korean Won and Japanese Yen.

The bank and cash balance decreased by approximately US\$5.6 million during the six-month period ended 30 June 2021 which was due to the net cash outflow from operating activities of approximately US\$4.0 million as a result of the increase in settlement to trade and other payables amounted to approximately US\$3.8 million, net cash outflow from investing activities of approximately US\$1.1 million, net cash outflow from financing activities of approximately US\$0.6 million and the negative effect of foreign exchange rate changes of approximately US\$68,000.

Net cash outflow from investing activities during the six-month period ended 30 June 2021 was mainly due to the purchase of plant and equipment of approximately USD1.1 million, while net cash outflow from financing activities mainly arose from net cash inflow of US\$1.4 million proceeds from the issuance of option shares, repayment of bank borrowings of approximately US\$0.5 million and principal elements of lease of approximately US\$1.9 million.

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from our operations and net proceeds from the Global Offering.

### TREASURY POLICIES

The Group's treasury management policy is to avoid any highly leveraged or speculative derivative products. The Group continued to be conservative in managing financial risk during the period. Most of the assets and payments of the Group are denominated either in Hong Kong dollar, US dollar, Korean Won, Japanese Yen or Renminbi. The E-commerce customers of our Group generally settle their invoices using their designated currencies upon checkout via secure payment gateways, and the fund is generally transferred to our Group's account in Hong Kong dollar and U.S. dollar.

Currently, we do not have a formal foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider to engage in derivatives markets or foreign exchange hedging measures to minimize against the risk when it is foreseen to be significant.

### GEARING RATIO

Our gearing ratio, calculated by total interest-bearing liabilities including lease liabilities divided by total equity, decreased from approximately 64.5% as at 31 December 2020 to approximately 59.3% as at 30 June 2021, primarily due to the full repayment of bank borrowing of approximately US\$0.5 million in February 2021.

As of 30 June 2021, the Group has no outstanding bank borrowings.

### CONTINGENT LIABILITIES

As of 30 June 2021, the Group had contingent liabilities in respect of a letter of guarantees issued to a payment gateway company and suppliers of approximately US\$26,000 (as of 31 December 2020: US\$80,000) pledged by bank deposits.

Apart from above, the Group did not have other material contingent liabilities as at 30 June 2021.

### CAPITAL COMMITMENTS

Save for the approximately US\$133,000 capital commitments provided for furniture & fixture for new office space and computer hardware and software disclosed in Note 23 to the Interim Condensed Consolidated Financial Information, the Group did not have any significant capital commitments as at 30 June 2021.

### SIGNIFICANT INVESTMENTS HELD

During the Reporting Period, we did not have any significant investments.

### MATERIAL ACQUISITIONS, DISPOSALS AND FUTURE PLANS FOR SUBSIDIARIES

During the six-month period ended 30 June 2021, we did not have any material acquisition or disposal of subsidiaries, associates and joint ventures nor any future plans in relation to such actions as of the Latest Practicable Date.

### CHARGE ON ASSETS

As at 30 June 2021, the banking facilities of the Group mainly comprised corporate credit cards and letters of guarantee issued to the Group and Group's suppliers, respectively for products purchased by the Group. The letters of guarantee was secured by the pledged deposits of the Group of approximately US\$2.0 million.



## MANAGEMENT DISCUSSION AND ANALYSIS

### INTERIM DIVIDEND

During the Company's Board meeting held on 26 August 2021, the Board of Directors approved an interim dividend of HK\$0.05 per share (equivalent to a total amount of approximately US\$2.6 million) (the "**Interim Dividend**") to the Shareholders.

The Interim Dividend will be payable to shareholders whose names appear on the register of members of the Company at the close of business at 4:30 p.m. on Monday, 27 September 2021. The register of members of the Company will be closed from Wednesday, 22 September 2021 to Monday, 27 September 2021, both days inclusive, for the purposes of determining the entitlements of the shareholders of the Company to the Interim Dividend.

In order to be entitled for the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Tuesday, 21 September 2021.

### FOREIGN EXCHANGE RISK MANAGEMENT

Our Group has certain exposures to foreign currency risk as most of our business transactions, assets and liabilities are denominated in currencies other than the functional currency of our Group such as Hong Kong Dollars, Korean Won, Japanese Yen, Renminbi, Great Britain Pound and Euro. As US Dollars is pegged to Hong Kong Dollars, our Group does not expect any significant movements in the exchange rate between US Dollars and Hong Kong Dollars.

Our Group currently does not have a formal foreign currency hedging policy but may consider using foreign currency contracts to minimize against the risk when it is foreseen to be significant.

### EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2021, we had 637 employees (six-month period ended 30 June 2020: 505 employees), all of whom were based in Hong Kong, Japan and South Korea.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive remuneration packages, which generally include basic wages, variable wages, bonuses and other benefits granted in accordance with the business performance. In order to promote overall efficiency, employee loyalty and employee retention, we provide our employees with technical and operational on-the-job training as well as people development programs.

In addition, the Company adopted share option schemes including the 2005 Share Option Scheme (as defined below), the 2016 Share Option Scheme (as defined below) and Post-IPO Share Option Scheme (as defined below). Please refer to the section of "SHARE OPTION SCHEME" below for more information.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 30 June 2021, as the Shares of the Company were not listed on the Stock Exchange, the disclosure requirements under relevant laws and regulations of Hong Kong, including Divisions 7 and 8 of Part XV and section 352 of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules ("Model Code"), were not applicable to the Company, its Directors and chief executives.

The Shares of the Company were listed on the Hong Kong Stock Exchange on the 9 July 2021. As of the Latest Practicable Date, interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### (i) Interests in Shares

Name of Director	Capacity	Nature of interest	Number of Shares	Approximate percentage of the issued share capital of the Company (%)
Mr. Lau Kwok Chu (劉國柱) <sup>(1)</sup>	Beneficial interest	Long position	122,112,980	30.85%
	Interest of Spouse	Long position	29,835,550	7.54%
Ms. Chu Lai King (朱麗琮) <sup>(1)</sup>	Beneficial interest	Long position	29,835,550	7.54%
	Interest of Spouse	Long position	122,112,980	30.85%
Ms. Wong Shuet Ha (黃雪夏)	Beneficial interest	Long position	4,930,000	1.25%
Mr. Lui Pak Shing Michael (雷百成)	Beneficial interest	Long position	35,183,210	8.90%

#### Notes:

- (1) As at the Latest Practicable Date, Mr. Lau directly held 118,412,980 Shares, and was granted options under the Pre-IPO Share Option Schemes which entitled him to subscribe for 3,700,000 Shares.

As at the Latest Practicable Date, Ms. Chu directly held 29,235,550 Shares, and was granted options under the Pre-IPO Share Option Schemes which entitled her to subscribe for 600,000 Shares.

As Mr. Lau is the spouse of Ms. Chu and vice versa, and they are each deemed under the SFO to be interested in the Shares directly held by each other, they are therefore both interested in the combined number of Shares (being 151,948,530 Shares as at the Latest Practicable Date).

Mr. Lau Kwok Chu holds one share, representing 10% of the issued share capital of YesAsia.com Limited as a trustee for the Company, which is the beneficial owner of the shares in YesAsia.com Limited held by Mr. Lau. YesAsia.com Limited was incorporated on 7 December 1998 and was subject to the requirement for a minimum of two shareholders set out in the predecessor Companies Ordinance (Cap. 32 of the Laws of Hong Kong). Mr. Lau Kwok Chu holds the share in YesAsia.com Limited upon trust for the Company for nominee shareholding purpose.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity	Nature of interest	Number of Shares	Approximate percentage of the issued share capital of the Company (%)
PCCW e-Ventures Limited <sup>(1)</sup>	Beneficial interest	Long Position	39,704,030	10.03%
CyberWorks Ventures Limited <sup>(1)</sup>	Interest in controlled corporation	Long Position	39,704,030	10.03%
PCCW Limited <sup>(1)</sup>	Interest in controlled corporation	Long Position	39,704,030	10.03%
Pacven Walden Management II, L.P. <sup>(2)</sup>	Interest in controlled corporation	Long Position	32,458,590	8.20%
Pacven Walden Ventures IV, L.P. <sup>(2)</sup>	Beneficial interest	Long Position	32,458,590	8.20%
Stonepath Group, Inc. <sup>(3)</sup>	Beneficial interest	Long Position	26,000,000	6.57%

Notes:

- (1) PCCW e-Ventures Limited is 50% held by CyberWorks Ventures Limited and 50% held by PCCW Nominees Limited (acting as a bare trustee for and on behalf of CyberWorks Ventures Limited as the beneficiary). CyberWorks Ventures Limited is a wholly-owned subsidiary of PCCW Limited (being a company listed on the Stock Exchange with stock code 0008). Therefore, each of CyberWorks Ventures Limited and PCCW Limited is deemed to be interested in the 39,704,030 Shares held by PCCW e-Ventures Limited under the SFO.
- (2) Pacven Walden Ventures IV, L.P. is a Cayman registered limited partnership, which is controlled by its general partner, Pacven Walden Management II, L.P. Therefore, Pacven Walden Management II, L.P. is deemed to be interested in the 32,458,590 Shares held by Pacven Walden Ventures IV, L.P. under the SFO.
- (3) As at the Latest Practicable Date, Stonepath Group, Inc., a U.S. company incorporated in the State of Delaware, directly held 26,000,000 Shares. As far as our Directors are aware, Stonepath Group, Inc. is held by various shareholders, and none of which is deemed to be interested in the Shares held by Stonepath Group, Inc. by virtue of the SFO.

Save as disclosed above, as of the Latest Practicable Date, the Company is not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## SHARE OPTION SCHEME

### 2005 Share Option Scheme

The Company adopted a share option scheme on 2 June 2005 ("2005 Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. The 2005 Share Option Scheme expired in 2015 and the Company can no longer grant any further options under the 2005 Share Option Scheme.

However, the terms of the 2005 Share Option Scheme allow the options to have a maximum exercise period of ten (10) years from the date of grant of the respective options and the all outstanding options granted prior to the expiration of the scheme would remain effective, and the expiration of the 2005 Share Option Scheme would not result in the termination of any options already granted.

### 2016 Share Option Scheme

The Company adopted a share option scheme on 30 June 2016 ("2016 Share Option Scheme") for the purpose of enabling the Company to attract and retain qualified employees of providing them with an opportunity for investment in the Company. As the Company became listed on the Stock Exchange on 9 July 2021, no further options can be granted under the 2016 Share Option Scheme.

Following the Share Split which took effect on 9 June 2021, each grantee shall receive 10 Shares for each outstanding option granted under the 2005 Share Option Scheme and 2016 Share Option Scheme exercised.

Name of category/ participant	Outstanding as at 1 January 2021 (Audited)	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2021 (Unaudited)	Date of grant	Vesting period	Exercise period	Exercise price per option US\$
<b>Directors</b>										
Lau Kwok Chu	10,000	-	-	-	-	10,000 <sup>(1)</sup>	25 July 2013	01 July 2013 to 01 July 2017	01 July 2014 to 01 July 2023	US\$0.5
	180,000	-	-	-	-	180,000 <sup>(2)</sup>	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US\$0.8
	180,000	-	-	-	-	180,000 <sup>(2)</sup>	15 August 2019	15 August 2019 to 15 August 2023	15 August 2020 to 28 July 2029	US\$1.55
Chu Lai King	60,000	-	-	-	-	60,000 <sup>(2)</sup>	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US\$0.8
Subtotal	430,000	-	-	-	-	430,000				
<b>Associate(s) of Director</b>										
Chu Pui King (Sister of Chu Lai King)	11,900	-	(11,900)	-	-	-	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US\$0.8
	3,000	-	-	-	-	3,000 <sup>(2)</sup>	23 April 2020	23 April 2021 to 23 April 2024	23 April 2020 to 23 April 2030	US\$2.01
Chu Kin Hang (Brother of Chu Lai King)	195,000	-	(195,000)	-	-	-	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US\$0.8
Subtotal	209,900	-	(206,900)	-	-	3,000				
<b>Other Employees</b>										
122 grantees <sup>(3)</sup>	2,416,164	905,000 <sup>(2)(3)(4)(5)</sup>	(1,335,896) <sup>(4)(5)(6)</sup>	-	(600)	1,984,668 <sup>(2)</sup>	— <sup>(4)</sup>	1 year from <sup>(4)</sup> the respective date of grant	10 years from <sup>(4)</sup> the respective date of grant	US\$0.8 - US\$2.01
<b>Consultant</b>										
1 grantee	10,000	-	(10,000)	-	-	-	25 October 2012	25 October 2012 to 25 October 2016	25 October 2013 to 25 October 2022	US\$0.5
Subtotal	2,426,164	905,000	(1,345,896)	-	(600)	1,984,668				
<b>Total</b>	3,066,064	905,000	(1,552,796)	-	(600)	2,417,668				

## OTHER INFORMATION

The vesting schedule is as follows: (i) 25% of all the options granted will become vested on the first anniversary of the vesting start date as specified in the option agreement (the “Vesting Start Date”) and (ii) 6.25% of the options granted will become vested as at the end of each three month period after the Vesting Start Date.

*Note:*

- (1) Granted under 2005 Share Option Scheme
- (2) Granted under 2016 Share Option Scheme
- (3) In 2021, 150,000, 100,000 and 655,000 options were granted under 2016 Share Option Scheme on 28 January 2021, 25 February 2021 and 29 April 2021 respectively and the total estimated fair value of these options on the date of grant was US\$2,019,100.
- (4) Please refer to Note 20 for details of share options
- (5) The weighted closing price of the Shares immediately before the dates on which the options were exercised was not available as the Shares were listed on 9 July 2021.
- (6) During the six-month period ended 30 June 2021, number of exercised options of 2005 Share Option Scheme and 2016 Share Option Scheme were 165,000 and 1,170,896 respectively.

### **Post-IPO Share Option Scheme**

A post-IPO share option scheme was adopted by the Company on 13 March 2021, which was conditional upon the listing of the Shares on the Stock Exchange and came into effect on 9 July 2021 (the “Post-IPO Share Option Scheme”). The purpose of the Post-IPO Share Option Scheme is to advance the interests of the Company and its shareholders by enabling the Company to attract and retain qualified employees or directors of the Company and/or its subsidiaries through providing them with an opportunity for investment in the shares of the Company. Participants to the Post-IPO Share Option Scheme include any individual, being an employee or director of the Company and/or the Company’s subsidiaries who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the business performance of the Group. However, no individual who is a resident in a place where the grant, acceptance or exercise of options pursuant to the Post-IPO Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual from the grant or offer of such options.

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme is 39,539,079, being the maximum 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (the “Option Scheme Mandate Limit”) (excluding any Shares which may be issued pursuant to the exercise of the outstanding options granted under the Pre-IPO Share Option Schemes). Options which have lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme (or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the Shares in issue from time to time (the “Option Scheme Limit”). No options may be granted under any schemes of the Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

The Option Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the refreshed Option Scheme Mandate Limit cannot exceed 10% of the Shares in issue as at the date of such approval. Options previously granted under the Post-IPO Share Option Scheme and any other share option schemes of the Company (and to which provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, canceled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the “Individual Limit”). Any further grant of options to a selected participant which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, canceled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders (with such selected participant and his associates abstaining from voting).

The amount payable for each Share to be subscribed for under an option (“Subscription Price”) in the event of the option being exercised shall be determined by the Board but shall be not less than the greater of:

- (i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share on the date of grant.

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option.

Each grant of options to any director, chief executive or substantial shareholder of the Company (or any of their respective associates) must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of options).



## OTHER INFORMATION

In addition, where any grant of options to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of options must also be first approved by the Shareholders (voting by way of poll) in a general meeting. In obtaining the approval, the Company shall send a circular to the Shareholders in accordance with and containing such information as is required under the Listing Rules. All core connected persons of the Company shall abstain from voting at such general meeting, except that any core connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

As of the Latest Practicable Date, no option has been granted by the Company under the Post-IPO Share Option Scheme.

## MATERIAL LITIGATION

During the six-months ended 30 June 2021, the Group was not involved in any material litigation or arbitration, nor were the Directors aware of any material litigation or claims that were pending or threatened against the Group.

## AUDIT COMMITTEE

The Board has established the Audit Committee, comprising one non-executive Director, namely Mr. Hui Yat Yan Henry and three independent non-executive Directors, namely, Mr. Wong Chee Chung (Chairman), Mr. Sin Pak Cheong Philip Charles and Mr. Chan Yu Cheong. The primary duties of the Audit Committee are to review and supervise our financial reporting process and the internal control system of the Group, manage risk, perform internal audit, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

The unaudited interim results for the six-months period ended 30 June 2021 have not been audited by the auditors of the Company but have been reviewed by the Audit Committee.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

From the Listing Date to the Latest Practicable Date, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

**CORPORATE GOVERNANCE**

Our Company has complied with the Corporate Governance Code in Appendix 14 to the Listing Rules (the “Corporate Governance Code”) since the Listing Date. As of the Latest Practicable Date and to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, our Directors are not aware of any deviation from the provisions of the Corporate Governance Code since the Listing Date.

Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year and comply with the “comply or explain” principle in our corporate governance report, which will be included in our annual reports upon Listing.

**MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

Upon Listing, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions.

As of 30 June 2021, as the Shares of the Company were not listed on the Stock Exchange, and therefore the Model Code was not yet applicable to the Company and its Directors. The Company has made specific enquiries with all Directors and all of them confirmed that they have complied with the required standards set out in the Model Code since the Listing on 9 July 2021.

**TRANSACTIONS IN SANCTIONED COUNTRIES OR WITH SANCTIONED PERSONS**

During the Reporting Period, proper internal control and risk management measures relating to sanction laws, as disclosed in the Prospectus, had been implemented and the Group did not have any transactions in Sanctioned Countries or with Sanctioned Persons. As of 30 June 2021, the Group did not anticipate any plans for any new activities in Sanctioned Countries or with Sanctioned Persons.

During the Reporting Period, the Group derived revenue from the Balkans region (including Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, North Macedonia, Romania, Serbia and Slovenia), which is not subject to comprehensive sanctions that are territorial in nature, which was amounted to approximately US\$568,000 (six-month period ended 30 June 2020: US\$299,000).

## OTHER INFORMATION

### SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Set out below are the details of important events affecting the Group which have occurred since the end of the Reporting Period.

#### ***Issuance of Shares and Listing on the Stock Exchange***

On 9 July 2021, the Shares of the Company were listed on the Stock Exchange. In connection with Company's Listing, 39,540,000 new Shares of the Company were issued and allotted at the offer price of HK\$3.28 per Share before the partial exercise of the Over-allotment Option.

The Over-allotment Option described in the Prospectus was partially exercised by the Sole Global Coordinator (for itself and on behalf of the International Underwriters) on 30 July 2021 in respect of an aggregate of 409,000 additional Shares (the "Over-allotment Shares"), representing approximately 1.0% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. The Over-allotment Shares was issued and allotted by the Company at HK\$3.28 per Share, being the offer price per Share under the Global Offering.

The net proceeds from the Global Offering and the partially exercised Over-Allotment Option after deducting underwriting commissions and relevant expenses payable by the Company amounted to approximately HK\$92.3 million.

#### ***Interim dividend declared***

During the Company's Board meeting held on 26 August 2021, the Board of Directors resolved to declare an interim dividend of HK\$0.05 per share (equivalent to a total amount of approximately US\$2.6 million) to the Shareholders.

### USE OF PROCEEDS FROM LISTING

The net proceeds from the Global Offering and the partial exercise of the Over-allotment Option, after deducting underwriting commissions and relevant expenses payable by the Company amounted to approximately HK\$92.3 million. The Company intends to use the proceeds for the same purpose and follow the expected implementation timetable as disclosed under section headed "Future Plans and Use of Proceeds" of the Prospectus.

Unutilized net proceeds were applied to short-term demand deposits with authorized financial institution and/or licensed bank.

### APPRECIATION

On behalf of the Board, I would like to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group, and our Shareholders, customers and business partners for their continuous support.

On behalf of the Board  
**Chu Lai King**  
*Chairperson*

Hong Kong, 26 August 2021

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
<b>REVENUE</b>	4	<b>88,368</b>	68,890
Cost of sales		<b>(57,568)</b>	(45,800)
<b>Gross profit</b>		<b>30,800</b>	23,090
Other income and other gains and losses	5	<b>353</b>	614
Selling expenses		<b>(13,315)</b>	(8,492)
Administrative expenses		<b>(16,644)</b>	(12,054)
Reversal of impairment losses/(Impairment losses) for trade receivables		<b>6</b>	(12)
Fair value loss on financial assets at fair value through profit or loss ("FVTPL")		<b>(2)</b>	(14)
<b>PROFIT FROM OPERATIONS</b>		<b>1,198</b>	3,132
Finance costs		<b>(205)</b>	(142)
<b>Profit before tax</b>		<b>993</b>	2,990
Income tax expense	7	<b>(478)</b>	(684)
<b>PROFIT FOR THE PERIOD</b>	8	<b>515</b>	2,306
<b>OTHER COMPREHENSIVE INCOME:</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>(50)</b>	(64)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>(50)</b>	(64)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>465</b>	2,242
<b>EARNING PER SHARE</b>	10		
Basic (US cents per share)		<b>0.31</b>	1.38
Diluted (US cents per share)		<b>0.14</b>	0.62

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	As at 30 June 2021 (Unaudited) US\$000	As at 31 December 2020 (Audited) US\$000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	3,094	2,628
Right-of-use assets	12	14,156	13,540
Financial assets at FVTPL		796	784
Prepayments, deposit and other receivables	14	1,347	1,250
<b>Total non-current assets</b>		<b>19,393</b>	18,202
<b>CURRENT ASSETS</b>			
Inventories		10,922	8,364
Trade receivables	13	1,472	2,549
Prepayments, deposits and other receivables	14	4,377	3,309
Current tax assets		24	24
Pledged bank deposits		2,003	2,445
Bank and cash balances		22,785	28,484
<b>Total current assets</b>		<b>41,583</b>	45,175
<b>CURRENT LIABILITIES</b>			
Trade and other payables and accruals	15	11,080	14,889
Contract liabilities	16	6,725	8,436
Provisions		784	718
Lease liabilities	17	4,159	3,758
Bank borrowings	18	—	493
Current tax liabilities		2,124	1,904
<b>Total current liabilities</b>		<b>24,872</b>	30,198
<b>NET CURRENT ASSETS</b>		<b>16,711</b>	14,977
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>36,104</b>	33,179
<b>NON-CURRENT LIABILITIES</b>			
Provisions		545	503
Lease liabilities	17	10,633	10,222
<b>Total non-current liabilities</b>		<b>11,178</b>	10,725
<b>NET ASSETS</b>		<b>24,926</b>	22,454
<b>CAPITAL AND RESERVES</b>			
Share capital	19	4,581	2,310
Reserves		20,345	20,144
<b>TOTAL EQUITY</b>		<b>24,926</b>	22,454

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 June 2021*

	Share capital US\$'000	Share-based payments reserve US\$'000	Capital reserve US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000
<b>At 1 January 2021 (audited)</b>	<b>2,310</b>	<b>1,898</b>	<b>14,342</b>	<b>2,271</b>	<b>142</b>	<b>1,491</b>	<b>22,454</b>
Total comprehensive income for the period	–	–	–	–	(50)	515	465
Issue of shares under share option scheme	2,271	(852)	–	–	–	–	1,419
Recognition of share-based payments	–	588	–	–	–	–	588
Changes in equity for the period	2,271	(264)	–	–	(50)	515	2,472
<b>At 30 June 2021 (unaudited)</b>	<b>4,581</b>	<b>1,634</b>	<b>14,342</b>	<b>2,271</b>	<b>92</b>	<b>2,006</b>	<b>24,926</b>

	Share capital US\$'000	Share-based payments reserve US\$'000	Capital reserve US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
<b>At 1 January 2020 (audited)</b>	<b>2,637</b>	<b>1,581</b>	<b>15,308</b>	<b>2,271</b>	<b>(2)</b>	<b>(8,986)</b>	<b>12,809</b>
Total comprehensive income for the period	–	–	–	–	(64)	2,306	2,242
Issue of shares under share option scheme	625	(163)	–	–	–	–	462
Recognition of share-based payments	–	260	–	–	–	–	260
Changes in equity for the period	625	97	–	–	(64)	2,306	2,964
<b>At 30 June 2020 (unaudited)</b>	<b>3,262</b>	<b>1,678</b>	<b>15,308</b>	<b>2,271</b>	<b>(66)</b>	<b>(6,680)</b>	<b>15,773</b>



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(3,988)</b>	6,361
Decrease in non-pledged bank deposits	8	8
Increase in restricted bank balance	—	(72)
Interest received	5	10
Purchases of property, plant and equipment	(1,104)	(942)
Proceed from disposals of right-of-use assets	18	—
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,073)</b>	(996)
Repayment of bank borrowings	(493)	(63)
Principal elements of lease payments	(1,930)	(1,042)
Proceeds from issuance of shares	1,419	462
Decrease/(increase) in pledged bank deposits	442	(179)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(562)</b>	(822)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,623)</b>	4,543
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>28,264</b>	16,738
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(68)</b>	(222)
<b>CASH AND CASH EQUIVALENT AT END OF PERIOD</b>	<b>22,573</b>	21,059
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	22,785	21,378
Less: Bank deposits with original maturity beyond three months	(195)	(183)
Restricted bank balances	(17)	(136)
	<b>22,573</b>	21,059

## **1 CORPORATE AND GROUP INFORMATION**

The Company was incorporated in Hong Kong with limited liability. The registered office and principal place of business in Hong Kong is 5/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong.

The Group principally engaged in trading of fashion wear, cosmetics and accessories and entertainment products through the Group's own e-commerce platforms (including websites and mobile app).

The Company has no ultimate holding company, and ultimate controlling shareholders of the Company are Mr. Lau Kwok Chu and Ms. Chu Lai King respectively.

The Company was successfully listed on the Main Board of the Stock Exchange on the Listing Date.

This condensed consolidated interim financial information is presented in United State dollars ("US"), unless otherwise stated.

## **2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

The unaudited interim condensed financial information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), as well as with the applicable disclosures required by the Listing Rules.

The interim condensed financial information does not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's historical financial information for the years ended 31 December 2018, 2019 and 2020 (the "Historical Financial Information") as set out in Appendix I of the Prospectus.

The financial information relating to the year ended 31 December 2020 that is included in these unaudited condensed financial statements for the six months ended 30 June 2021 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 622(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on the consolidated financial statements of the Company for the year ended 31 December 2020. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

The accounting policies applied in the preparation of the unaudited interim condensed financial information is consistent with those applied in the preparation of the Historical Financial Information.

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021 but they do not have a material effect on the Group's financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

### 3 FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

### 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**Disclosures of level in fair value hierarchy:**

Description	Fair value measurements as at 30 June 2021			
	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Recurring fair value measurements:</b>				
<b>Financial assets at FVTPL</b>				
Investment in a life insurance policy	–	796	–	796

Description	Fair value measurements as at 31 December 2020			
	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
	(audited)	(audited)	(audited)	(audited)
<b>Recurring fair value measurement:</b>				
<b>Financial assets at FVTPL</b>				
Investment in a life insurance policy	–	784	–	784

The fair value of investment in life insurance policies is determined by reference to Cash Surrender Value as provided by the insurance company.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

### 4 REVENUE

Disaggregation of revenue from contracts with customers by business and the timing of revenue recognition for the period are as follow:

	Six months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Sales of merchandise, recognised at point in time	80,689	61,691
Shipping revenue recognised over time	7,678	7,197
Consignment sales recognised at point of time	1	2
	<b>88,368</b>	68,890

### 5 OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Cash rebate income	294	38
Gains/(losses) on disposals of property, plant and equipment	13	(27)
Gain on remeasurement upon modification	8	27
Government subsidies income	5	537
Interest income from:		
Bank deposits	5	11
Financial assets at FVTPL	13	26
	18	37
Sundry income	15	2
	<b>353</b>	614

## 6 SEGMENT INFORMATION

### Information about reportable segment profit or loss:

Six months ended 30 June 2021	Fashion & lifestyle and beauty (Unaudited) US\$'000	Entertainment products (Unaudited) US\$'000	Unallocated (Unaudited) US\$'000	Total (Unaudited) US\$'000
Revenue from external customers	84,631	3,737	–	88,368
Segment results	5,574	(41)	(5,018)	515

Six months ended 30 June 2020	Fashion & lifestyle and beauty (Unaudited) US\$'000	Entertainment products (Unaudited) US\$'000	Unallocated (Unaudited) US\$'000	Total (Unaudited) US\$'000
Revenue from external customers	61,925	6,965	–	68,890
Segment results	5,287	25	(3,006)	2,306

### Reconciliations of segment profit or loss:

	Six-months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
<b>Revenue</b>		
Total revenue of reportable segments	88,368	68,890
<b>Segment results</b>		
Total segment results of reportable segments	5,533	5,312
Unallocated amounts:		
Unallocated income	353	575
Unallocated corporate expenses	(4,893)	(2,897)
Consolidated profit before tax for the period	993	2,990



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

## 6 SEGMENT INFORMATION (CONTINUED)

### Geographical information:

The Group's revenue from external customers by port of destinations and information about its non-current assets by location of assets are detailed below:

	Six months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
United States	38,443	25,659
European countries		
France	7,819	5,359
Germany	6,835	3,544
Spain	2,347	1,061
Italy	1,989	667
Netherlands	1,774	1,259
Sweden	806	553
Other EU Countries (Note 1)	5,269	3,126
	26,839	15,569
Australia	5,768	4,267
United Kingdom	5,299	6,000
Canada	4,527	5,510
Hong Kong	1,655	1,453
Japan	1,061	4,698
Others (Note 2)	4,776	5,734
Consolidated Total	88,368	68,890

Note 1: Other EU countries include sales to EU countries that individually contributed less than 2% of our total revenue for the six months ended 30 June 2021 and 2020.

Note 2: Others include sales to countries that individually contributed less than 1% of our total revenue for the six months ended 30 June 2021 and 2020.

98.4% and 98% of the Group's non-current assets are located in Hong Kong as at 30 June 2021 and 2020 respectively.

### Revenue about major customers

No revenue from a single customer of the Group contributed over 10% of the total revenue of the Group during the six months ended 30 June 2021 and 2020.

**7 INCOME TAX EXPENSE**

	Six months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Current tax		
– Hong Kong Profits Tax	423	552
– Overseas Corporate Income Tax	55	132
Deferred tax	–	–
	<b>478</b>	684

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25% and profits above that amount will be subject to the tax rate of 16.5%. For the other Hong Kong established subsidiaries, Hong Kong Profits Tax has been provided at a rate of 16.5% (six months ended 30 June 2020: 16.5%) on the estimated assessable profits.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

## 8 PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Allowance for inventories, net (included in cost of inventories sold)	23	7
Auditor's remuneration	77	55
Cost of inventories sold	33,895	28,687
Depreciation		
– Property, plant and equipment	636	289
– Right-of-use assets	2,206	1,550
Listing expenses	1,303	–
Employee benefits expenses (including directors' emoluments)	12,133	9,481
Foreign exchange losses, net	848	660
Operating lease charges		
– Leased properties	5	3
– Leased equipment	10	–

## 9 DIVIDEND

The board of directors of the Company has resolved to declare an interim dividend of HK\$0.05 per share for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

## 10 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	Six months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
<b>Earnings</b>		
Profit for the year attributable to owners of the Company	<b>515</b>	2,306
	'000 (Unaudited)	'000 (Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (Note 1)	<b>166,529</b>	166,623
Effect of dilutive potential ordinary shares arising from:		
– Share options issued by the Company	<b>20,879</b>	24,501
– Convertible preferred shares (Note 2)	<b>175,985</b>	179,870
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (Note)	<b>363,393</b>	370,994

- Note:
- On 9 June 2021, the Company underwent a share subdivision whereby each issued and unissued share in the Company's share capital shall be subdivided into 10 shares.
  - All the convertible preferred shares were automatically converted into ordinary shares upon Listing.

On 9 July 2021, the shares of the Company were listed on the Stock Exchange, and in connection with the Company's listing, 39,540,000 new shares of the Company were issued and allotted at the offer price of HK\$3.28 per share. On 6 August 2021, an aggregate of 409,000 additional shares of the Company were issued and allotted as a result of the partial exercise of the Over-allotment Option. The transactions occur after the period ended 30 June 2021 and that would have changed significantly the number of ordinary shares of the Company outstanding at the period ended 30 June 2021 if those transactions had occurred before the period ended 30 June 2021.

## 11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired property, plant and equipment of approximately US\$1,104,000 (six months ended 30 June 2020: US\$942,000).

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

### 12 RIGHT-OF USE ASSETS

During the six months ended 30 June 2021, the Group entered into new lease agreements for offices and office equipment for 3-5 years. The Group will make fixed payments during the contract period. On lease commencement, the Group recognised approximately US\$3,034,000 of right-of-use assets and liabilities.

### 13 TRADE RECEIVABLES

The Group's turnover comprises mainly e-commerce sales and offline wholesale of products. No credit terms have been granted to e-commerce sales and certain offline wholesales are granted credit terms ranging from 0–90 days.

The balance of trade receivables represents the outstanding amounts receivable from the payment gateway companies who involved to process the customers' e-commerce transactions and offline wholesale customers. No default of settlement is expected by reference to past experience with the payment gateway companies and offline wholesale customers.

Reversal of impairment losses for trade receivables of approximately US\$6,000 during the six months ended 30 June 2021 (six months ended 30 June 2020: approximately US\$12,000 impairment losses provided).

The aging analysis of trade receivables, based on the revenue recognition date, and net of allowance (if any), is as follows:

	<b>As at 30 June 2021 (Unaudited) US\$'000</b>	<b>As at 31 December 2020 (Audited) US\$'000</b>
0 to 30 days	<b>1,465</b>	2,542
31 to 60 days	<b>1</b>	3
61 to 90 days	<b>1</b>	1
over 90 days	<b>5</b>	3
	<b>1,472</b>	2,549

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

## 14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2021 (Unaudited) US\$'000	As at 31 December 2020 (Audited) US\$'000
<b>Prepayments</b>		
Prepayment to suppliers	1,476	981
Prepaid rental	20	113
Prepaid listing expenses	371	219
Prepaid administrative expenses	602	622
Prepaid selling expenses	441	142
	<b>2,910</b>	2,077
<b>Deposits</b>		
Rental deposits	1,348	1,305
Trade deposits	181	287
Utilities deposits	107	104
	<b>1,636</b>	1,696
<b>Other receivables</b>		
Export tax refundable	1,047	783
Others	131	3
	<b>1,178</b>	786
	<b>5,724</b>	4,559
Analysed as:		
<b>Current assets</b>	<b>4,377</b>	3,309
<b>Non-current assets</b>	<b>1,347</b>	1,250
	<b>5,724</b>	4,559

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

## 15 TRADE AND OTHER PAYABLES AND ACCRUALS

	As at 30 June 2021 (Unaudited) US\$'000	As at 31 December 2020 (Audited) US\$'000
<b>Trade payables</b>	<b>6,075</b>	8,543
<b>Other payables – indirect tax payables</b>	<b>1,950</b>	1,753
<b>Accruals</b>		
Accrued listing expenses	<b>1,268</b>	1,020
Accrued staff costs	<b>174</b>	1,904
Accrued selling expenses	<b>1,017</b>	957
Accrued administrative expenses	<b>596</b>	712
	<b>3,055</b>	4,593
	<b>11,080</b>	14,889

The aging analysis of the Group's trade payables, based on the invoice date, is as follows:

	As at 30 June 2021 (Unaudited) US\$'000	As at 31 December 2020 (Audited) US\$'000
0 to 30 days	<b>5,497</b>	7,523
31 to 60 days	<b>558</b>	993
61 to 90 days	<b>19</b>	24
Over 90 days	<b>1</b>	3
	<b>6,075</b>	8,543

For product suppliers, we settle our payment either before delivery or within a period up to 14 days upon delivery.

For other suppliers, we settle our payment either on delivery, or within a period up to 30 days upon delivery.



## 16 CONTRACT LIABILITIES

	As at 30 June 2021 (Unaudited) US\$'000	As at 31 December 2020 (Audited) US\$'000
Advance payments from customers	6,185	8,436
Deferred revenue for customer loyalty programme	540	–
	<b>6,725</b>	8,436

Contract liabilities mainly relating to the sales of merchandise and shipping revenue are advance payments from customers.

Contract liabilities relating to deferred revenue for loyalty programme are a portion of the transaction price allocated to the memberships based on the relative stand-alone selling price.

During the six months ended 30 June 2021, advance payment from customers decreased primarily due to the decrease in the number of shipments that had not been delivered as at 30 June 2021. Moreover, deferred revenue for loyalty program customers as at 30 June 2021 was relating to the new *YesStyle Elite Club* membership program which was effective from 1 January 2021.

Save for disclosed above, there were no significant changes in the contract liabilities balances during six months ended 30 June 2021.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

### 17 LEASE LIABILITIES

	As at 30 June 2021 (Unaudited) US\$'000	As at 31 December 2020 (Audited) US\$'000
Leased properties	14,434	13,768
Office equipment	358	205
Motor vehicles	—	7
	<b>14,792</b>	13,980
	As at 30 June 2021 (Unaudited) US\$'000	As at 31 December 2020 (Audited) US\$'000
Within one year	4,159	3,758
In the second year	3,136	3,128
In the third to fifth years, inclusive	7,497	5,050
Over five years	—	2,044
Present value of lease obligations	14,792	13,980
Less: Amount due for settlement within 12 months (shown under current liabilities)	(4,159)	(3,758)
Amount due for settlement after 12 months	<b>10,633</b>	10,222

It is the Group's policy to lease certain of its office equipment and motor vehicles under finance leases. The average lease term is 5 years.

# 18 BANK BORROWING

	As at 30 June 2021 (Unaudited) US\$'000	As at 31 December 2020 (Audited) US\$'000
Within one year	–	131
More than one year, but not exceeding two years	–	134
More than two years, but not more than five years	–	228
	–	493
Portion of bank loans that are due for repayment after one year but contain a repayment on demand clause (shown under current liabilities)	–	(493)
Amount due for settlement after 12 months	–	–

The carrying amounts of the Group's bank borrowing are denominated in US\$.

The interest rate of the Group's borrowing was as follows:

	2021	2020
Bank loan	1.62%	1.65%

Bank loan was offered at one month LIBOR plus 1.5% per annum, thus exposing the Group to cash flow interest rate risk, and was secured by legal charge on life insurance policy, pledged bank deposits, corporate guarantee provided by the Company and personal guarantee executed by a director of the Company.

The bank loan as at 31 December 2020 has been fully repaid on 9 February 2021 and all pledged assets and guarantee executed as mentioned above have been fully released in March 2021.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

## 19 SHARE CAPITAL

	Ordinary shares		Series A preferred shares		Series B preferred shares		Series C preferred shares		Total amount
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000	US\$'000
<b>Issued and fully paid:</b>									
At 1 January 2020 (audited)	16,377,121	534	1,058,424	11	5,295,732	53	3,442,611	2,039	2,637
Issue of shares under share option scheme	943,275	701	–	–	–	–	–	–	701
Repurchase of shares	(886,639)	(877)	(10,019)	–*	(130,995)	(1)	(60,982)	(150)	(1,028)
At 31 December 2020 and 1 January 2021 (audited)	16,433,757	358	1,048,405	11	5,164,737	52	3,381,629	1,889	2,310
Issue of shares under share option scheme	1,552,796	2,271	–	–	–	–	–	–	2,271
Effect on Share Split	161,878,977	–	–	–	–	–	–	–	–
At 30 June 2021 (unaudited)	<b>179,865,530</b>	<b>2,629</b>	<b>1,048,405<sup>#</sup></b>	<b>11</b>	<b>5,164,737<sup>#</sup></b>	<b>52</b>	<b>3,381,629<sup>#</sup></b>	<b>1,889</b>	<b>4,581</b>

\* Less than US\$1,000

<sup>#</sup> All the preferred shares have been converted into ordinary shares upon Listing on 9 July 2021.

## 20 SHARE-BASED PAYMENTS

### 2005 Share Option Scheme

The 2005 Share Option Scheme was expired on 2 June 2015 such that no further option can be granted under the 2005 Share Option Scheme, but all options granted previously will remain exercisable in accordance with the terms of the 2005 Share Option Scheme and the relevant stock option agreements entered with the respective grantees.

At 30 June 2021 and 31 December 2020, details of the specific categories of options outstanding under the 2005 Share Option Scheme are as follows:

	Grant date	Expiry date	Vesting period	Exercise period	Exercise price per option US\$	No. of outstanding options under the 2005 Share Option Scheme 30 June 2021	No. of outstanding options under the 2005 Share Option Scheme 31 December 2020
Directors	25 July 2013	25 July 2023	25 July 2013 to 25 July 2017	25 July 2014 to 25 July 2023	0.50	10,000	10,000
Employees	24 May 2012	24 May 2022	24 May 2012 to 24 May 2016	24 May 2013 to 24 May 2022	0.50	–	75,000
	25 July 2013	25 July 2023	25 July 2013 to 25 July 2017	25 July 2014 to 25 July 2023	0.50	–	90,000
Consultant	25 October 2012	25 October 2022	25 October 2012 to 25 October 2016	25 October 2013 to 25 October 2022	0.50	–	10,000
<b>Total for 2005 Share Option Scheme</b>						<b>10,000</b>	<b>185,000</b>

Options will be forfeited if the directors, employees and/or consultant leave the Group.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

Following the Share Split which took effect on 9 June 2021, each grantee shall receive 10 Shares for each outstanding option granted under the 2005 Share Option Scheme exercised.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

### 20 SHARE-BASED PAYMENTS (CONTINUED)

#### 2016 Share Option Scheme

No options can be granted under the 2016 Share Option Scheme on or after the Listing Date, but all options granted previously shall remain exercisable in accordance with the terms of the 2016 Share Option Scheme and the relevant stock option agreements entered with the respective grantees.

At 30 June 2021 and 31 December 2020, details of the specific categories of options outstanding under the 2016 Share Option Scheme are as follows:

	Grant date	Expiry date	Vesting period	Exercise period	Exercise price per option US\$	No. of outstanding options under the 2016 Share Option Scheme 30 June 2021	No. of outstanding options under the 2016 Share Option Scheme 31 December 2020
Directors	28 July 2016	28 July 2026	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	0.80	240,000	240,000
	15 August 2019	15 August 2029	15 August 2019 to 15 August 2023	15 August 2020 to 15 August 2029	1.55	180,000	180,000
Employees	28 July 2016	28 July 2026	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	0.80	2,451	880,064
	26 January 2017	26 January 2027	26 January 2017 to 26 January 2021	26 January 2018 to 26 January 2027	0.80	-	18,125
	27 April 2017	27 April 2027	27 April 2017 to 27 April 2021	27 April 2018 to 27 April 2027	0.80	625	10,000
	10 August 2017	10 August 2027	10 August 2017 to 10 August 2021	10 August 2018 to 10 August 2027	0.80	1,250	10,000
	27 April 2018	27 April 2028	27 April 2018 to 27 April 2022	27 April 2019 to 27 April 2028	1.20	58,288	156,875
	26 July 2018	26 July 2028	26 July 2018 to 26 July 2022	26 July 2019 to 26 July 2028	1.20	69,375	220,000
	24 January 2019	24 January 2029	24 January 2019 to 24 January 2023	24 January 2020 to 24 January 2029	1.20	90,050	180,000
	25 April 2019	25 April 2029	25 April 2019 to 25 April 2023	25 April 2020 to 25 April 2029	1.55	75,129	116,000
	15 August 2019	15 August 2029	15 August 2019 to 15 August 2023	15 August 2020 to 15 August 2029	1.55	45,500	70,000
	6 February 2020	6 February 2030	6 February 2020 to 6 February 2024	6 February 2021 to 6 February 2030	1.55	180,000	240,000
	23 April 2020	23 April 2030	23 April 2020 to 23 April 2024	23 April 2021 to 23 April 2030	2.01	270,000	270,000
	30 July 2020	30 July 2030	30 July 2020 to 30 July 2024	30 July 2021 to 30 July 2030	2.01	50,000	50,000
	29 October 2020	29 October 2030	29 October 2020 to 29 October 2024	29 October 2021 to 29 October 2030	2.01	240,000	240,000
	28 January 2021	28 January 2031	28 January 2021 to 28 January 2025	28 January 2022 to 28 January 2031	2.01	150,000	-
	25 February 2021	25 February 2031	25 February 2021 to 25 February 2025	25 February 2022 to 25 February 2031	2.01	100,000	-
	29 April 2021	29 April 2031	29 April 2021 to 29 April 2025	29 April 2022 to 29 April 2031	2.01	655,000	-
<b>Total for 2016 Share Option Scheme</b>						<b>2,407,668</b>	<b>2,881,064</b>

Options will be forfeited if the directors and/or employees leave the Group.

**20 SHARE-BASED PAYMENTS (CONTINUED)**

Details of the movement of share options during the period are as follows:

	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>Number of share options</b>	<b>Weighted average exercise price US\$</b>	<b>Number of share options</b>	<b>Weighted average exercise price US\$</b>
Outstanding at 1 January	<b>3,066,064</b>	<b>1.23</b>	3,357,964	0.89
Granted during the period/year	<b>905,000</b>	<b>2.01</b>	801,000	1.88
Exercised during the period/year	<b>(1,552,796)</b>	<b>0.92</b>	(943,275)	0.55
Expired during the period/year	–	–	(35,500)	0.50
Cancelled during the period/year	–	–	–	–
Lapsed during the period/year	<b>(600)</b>	<b>1.55</b>	(114,125)	1.50
Outstanding at end of period/year	<b>2,417,668</b>	<b>1.34</b>	3,066,064	1.23
Exercisable at end of period/year	<b>704,480</b>	<b>0.83</b>	1,581,103	0.90

The options outstanding at the end of the period/year have a weighted average remaining contractual life of 9.07 years as at 30 June 2021 (31 December 2020: 7.11 years).

The exercise price is as follows:

In 2021, 150,000, 100,000 and 655,000 options were granted under 2016 Share Option Scheme on 28 January 2021, 25 February 2021 and 29 April 2021 respectively and the total estimated fair value of these options on the date of grant was US\$2,019,100.

In 2020, 240,000, 271,000, 50,000 and 240,000 options were granted under the 2016 Share Option Scheme on 6 February 2020, 23 April 2020, 30 July 2020 and 29 October 2020 respectively and the total estimated fair value of these options on the date of grant was US\$1,067,300.

Following the Share Split which took effect on 9 June 2021, each grantee shall receive 10 Shares for each outstanding option granted under the 2016 Share Option Scheme exercised.

The weighted closing price of the Shares immediately before the dates on which the options were exercised was not available as the Shares were listed on 9 July 2021.



## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

### 20 SHARE-BASED PAYMENTS (CONTINUED)

The fair value was calculated using the Binomial Option pricing model on the date on which the options were granted. The inputs into the model are as follows:

#### For the six months ended 30 June 2021

	Share option granted on		
	28 January 2021	25 February 2021	29 April 2021
Share price	US\$3.1061	US\$3.2939	US\$3.483
Exercise price	US\$2.01	US\$2.01	US\$2.01
Expected volatility	51.14%	51.19%	50.76%
Expected life	10 years	10 years	10 years
Risk free rate	0.63%	1.19%	1.15%
Expected dividend yield	0%	0%	0%
Fair value at grant date	US\$292,400	US\$215,500	US\$1,511,200
Vesting period	28 January 2021 to 28 January 2025	25 February 2021 to 25 February 2025	29 April 2021 to 29 April 2025
Exercise period	28 January 2022 to 28 January 2031	25 February 2022 to 25 February 2031	29 April 2022 to 29 April 2031

#### For the year ended 31 December 2020

	6 February 2020	Share option granted on		
		23 April 2020	30 July 2020	29 October 2020
Share price	US\$2.016	US\$2.289	US\$2.218	US\$2.701
Exercise price	US\$1.550	US\$2.010	US\$2.010	US\$2.010
Expected volatility	46.58%	49.15%	51.25%	51.27%
Expected life	10 years	10 years	10 years	10 years
Risk free rate	1.37%	0.54%	0.25%	0.49%
Expected dividend yield	0%	0%	0%	0%
Fair value at grant date	US\$277,300	US\$341,400	US\$61,800	US\$386,800
Vesting period	6 February 2020 to 6 February 2024	23 April 2020 to 23 April 2024	30 July 2020 to 30 July 2024	29 October 2020 to 29 October 2024
Exercise period	6 February 2021 to 6 February 2030	23 April 2021 to 23 April 2030	30 July 2021 to 30 July 2030	29 October 2021 to 29 October 2030

Average of industry annualised historical share price volatility is deemed to be the expected volatility of the share price of the Company. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Risk-free rates adopted in the valuation model are the yield-to-maturities in continuous compounding of the Hong Kong Government Bonds with the time-to-maturities similar to that of the options as at the date of grant.

## 20 SHARE-BASED PAYMENTS (CONTINUED)

Where a share option is cancelled or forfeited prior to the expiry date, it is treated as if it had vested on the date of cancellation or forfeiture, and any expense not yet recognised for the option is recognised immediately.

The Group recorded total expenses of US\$589,000 (2020: US\$501,000) during the six months ended 30 June 2021 in respect of the 2016 Share Option Scheme.

Note: The calculation results of the values of the share options are subject to a number of assumptions of the parameters used herein and the limitation of the model adopted. Therefore, the estimated values of the share options may be subjective and uncertain.

During the six months ended 30 June 2020 and 30 June 2021 respectively, the accounting policy adopted for the share options are as follow:

The Group issues share options to certain directors, employees and consultant.

Share options to directors and employees are measured at the fair value (excluding the effect of non-market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Share options to consultant are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

## 21 RELATED PARTY TRANSACTIONS

The Group had the following transactions with its related parties during Reporting Period:

	Six months ended 30 June	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Customer relationship management and contact centre service fees to HKT Teleservices International Limited ("HKT") (Note i)	(226)	(159)
Return merchandise authorisation service fee to Ms. Chu Po King (Note ii)	(1)	(1)

Notes:

- (i) HKT is a fellow subsidiary of a shareholder of the Company.
- (ii) Ms. Chu Po King is a sister of a director and shareholder of the Company.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

### 22 CONTINGENT LIABILITIES

At 30 June 2021, the Group had contingent liabilities in respect of letter of guarantees issued to a payment gateway company and suppliers of approximately US\$26,000 (At 31 December 2020: US\$80,000). The letter of guarantees issued by banks were secured by pledged bank deposits.

Apart from above, the Group does not have other material contingent liabilities at 30 June 2021 (At 31 December 2020: Nil).

### 23 CAPITAL COMMITMENTS

	30 June 2021 (Unaudited) US\$'000	31 December 2020 (Unaudited) US\$'000
Contracted but not provided for:		
Property, plant and equipment	133	72

Note: As of 30 June 2021, approximately US\$125,000 and US\$8,000 capital commitments were provided for the acquisitions of furniture & fixture for the new office space and computer hardwares and softwares respectively.

### 24 EVENTS AFTER THE REPORTING PERIOD

Set out below are the details of important events affecting the Group which have occurred since the end of the Reporting Period.

#### ***Issuance of Shares and Listing on the Stock Exchange***

On 9 July 2021, the Shares of the Company were listed on the Stock Exchange. In connection with Company's Listing, 39,540,000 new shares of the Company were issued and allotted at the offer price of HK\$3.28 per Share before the partial exercise of the Over-allotment Option.

The Over-allotment Option described in the Prospectus was partially exercised by the Sole Global Coordinator (for itself and on behalf of the International Underwriters) on 30 July 2021 in respect of an aggregate of 409,000 additional Shares (the "Over-allotment Shares"), representing approximately 1.0% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. The Over-allotment Shares was issued and allotted by the Company at HK\$3.28 per Share, being the offer price per Share under the Global Offering.

### 25 APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the Board of Directors on 26 August 2021.

“AsianBeautyWholesale”	www.AsianBeautyWholesale.com
“Audit Committee”	the audit committee of our Company
“Auditor”	the external auditor of our Company
“Board” or “Board of Directors”	the board of directors of our Company
“Company”, “our Company” or “the Company”	<i>YesAsia Holdings Limited</i> (喆麗控股有限公司), a company incorporated with limited liability in Hong Kong on 11 March 2005, or, where the context requires (as the case may be), its predecessor, <i>YesAsia.com, Inc.</i> (formerly known as Asia CD, Inc.), a company incorporated in California, the United States on 18 December 1997, and except where the context indicates otherwise (i) our subsidiaries and (ii) with respect to the period before our Company became the holding company of our present subsidiaries, the business operated by our present subsidiaries or (as the case may be) their predecessors
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, in the context of this interim report, refers to Mr. Lau and Ms. Chu
“Directors” or “our directors”	the directors of our Company
“EU”	the European Union
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “our Group”, “we” or “us”	our Company and its subsidiaries or, where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offering”	the conditional offering of 3,954,000 Shares by the Company for subscription by members of the public in Hong Kong and upon the terms and conditions stated in the Prospectus
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited

## DEFINITIONS AND GLOSSARY

“International Offering”	the conditional offering of 35,586,000 Shares together with any additional Shares that may be issued pursuant to the exercise of the Over-allotment Option for and on behalf of the Company outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act, including to professional, institutional and other investors in Hong Kong
“International Underwriters”	the international underwriters for the International Offering
“Latest Practicable Date”	25 August 2021
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	9 July 2021, on which the Shares are first listed and from which dealings in the Shares are permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM
“Mr. Lau”	Mr Lau Kwok Chu, one of the founders of our Group, an executive Director, the chief executive officer and one of our Controlling Shareholders
“Ms. Chu”	Ms. Chu Lai King, one of the founders of our Group, an executive Director, chair of the Board and one of our Controlling Shareholders
“OFAC”	The U.S. Department of Treasury’s Office of Foreign Assets Control
“Over-allotment Option”	the option that may be granted by the Company to the Sole Global Coordinator pursuant to which the Company may be required to issue up to aggregate of 5,931,000 additional Shares, to cover, among others, over-allocations in the International Offering

“Pre-IPO Share Option Schemes”	YesAsia Holdings 2005 General Stock Option Plan and YesAsia Holdings 2016 General Stock Option Plan, being the two pre-IPO share option schemes of the Company approved and adopted by the Company on 2 June 2005 and 30 June 2016, respectively, particulars of which are set out in “Other Information — Share Option Scheme” to this interim report
“Prospectus”	prospectus of the Company dated 28 June 2021
“Relevant Jurisdiction”	any jurisdiction that is relevant to the Company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assess or certain countries, governments, person or entities targeted by such law or regulation
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Schemes”	the Pre-IPO Share Option Schemes and the Post-IPO Share Option Scheme
“Share(s)”	ordinary share(s) in the share capital of our Company
“Shareholder(s)”	holder(s) of Shares
“Sanctioned Countries”	Any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related laws or regulation of the Relevant Jurisdiction, namely Cuba, Iran, North Korea, Syria, and the Crimea Region of Russia/Ukraine
“Sanctioned Person”	certain person(s) and identity(ies) listed on OFAC’s Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the U.S., EU, the United Nations or Australia
“Sole Global Coordinator”	UOB Kay Hian (Hong Kong) Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## DEFINITIONS AND GLOSSARY

“Share Split”	the subdivision of one Share of the Company into ten shares of the Company pursuant to the resolutions passed by the Shareholders on 9 June 2021
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$” or “USD”	United States dollar, the lawful currency of the United States
“U.S.”, “US” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“YesAsia Platform”	<i>YesAsia.com</i>
“YesStyle”	<i>YesStyle.com</i> Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company