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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)

**VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE
STRATEGIC LOGISTICS PARTNERSHIP
AND
SUBSCRIPTION OF NEW SHARES IN CN LOGISTICS**

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE STRATEGIC LOGISTICS PARTNERSHIP

The Board is pleased to announce that on 22 November 2021 (after trading hours), the Company has entered into the MOU in respect of the Strategic Logistics Partnership between the Group and CN Logistics.

SUBSCRIPTION OF NEW SHARES IN CN LOGISTICS

The Board further announces that on 29 November 2021 (after trading hours), the Company and CN Logistics entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed in principle to subscribe for and CN Logistics has conditionally agreed to allot and issue the Subscription Shares, comprising 1,100,000 CN Logistics Shares, representing approximately 0.4% of the total issued share capital of CN Logistics as at the date of the Subscription Agreement (and approximately 0.4% of the enlarged total number of issued shares of CN Logistics upon allotment of the Subscription Shares, assuming that there will be no change in the issued share capital of CN Logistics between the date of this announcement and the date of completion of the Subscription apart from the issue of the Subscription Shares), for a total cash consideration of HK\$10,120,000 at the Subscription Price of HK\$9.20 per Subscription Share.

As the completion of the Subscription is subject to the satisfaction of the conditions precedent set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in doubt about their position, they should consult their professional advisers.

This is a voluntary announcement made by the Company.

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE STRATEGIC LOGISTICS PARTNERSHIP

The Board is pleased to announce that on 22 November 2021 (after trading hours), the Company has entered into the MOU in respect of the Strategic Logistics Partnership between the Group and CN Logistics.

Pursuant to the terms of the MOU, the Company agreed to appoint CN Logistics as the “Strategic Logistics Partner” and to consider engaging CN Logistics Group from time to time to provide Logistics Services for the Group’s delivery of products in the United States, Europe and other overseas markets where CN Logistics Group offers the Logistics Services at charging rates which are at least 10% lower than the best available quotation by other independent service providers received and maintained by the Group on a regular basis.

The term of the MOU is 1 year commencing from the date of the MOU. The Company and CN Logistics may review and mutually agree to renew the MOU.

CS Logistics Holding Ltd., a controlling shareholder of CN Logistics (which in turns is ultimately controlled by Mr. Lau Shek Yau John), is a cornerstone investor in the global offering of the Company in July 2021 and currently holding approximately 2.3% of the issued share capital of the Company. Other than that, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, CN Logistics and their ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

SUBSCRIPTION OF NEW SHARES IN CN LOGISTICS

The Board further announces that on 29 November 2021 (after trading hours), the Company and CN Logistics entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed in principle to subscribe for and CN Logistics has conditionally agreed to allot and issue the Subscription Shares comprising 1,100,000 CN Logistics Shares, representing approximately 0.4% of the total issued share capital of CN Logistics as at the date of the Subscription Agreement (and approximately 0.4% of the enlarged total number of issued shares of CN Logistics upon allotment of the Subscription Shares, assuming that there will be no change in the issued share capital of CN Logistics between the date of this announcement and the date of completion of the Subscription apart from the issue of the Subscription Shares), for a total cash consideration of HK\$10,120,000 at the Subscription Price of HK\$9.20 per Subscription Share.

The Subscription Price of HK\$9.20 per Subscription Share represents:

- (i) a 2.75% discount to the closing price of HK\$9.46 per CN Logistics Share as quoted on the Stock Exchange on 29 November 2021, being the date of the Subscription Agreement;

- (ii) a 3.71% discount to the average closing price of approximately HK\$9.55 per CN Logistics Share as quoted on the Stock Exchange over the last 5 trading days up to and including the last trading day before the date of the Subscription Agreement; and
- (iii) a 2.71% discount to the average closing price of approximately HK\$9.46 per CN Logistics Share as quoted on the Stock Exchange over the last 20 trading days up to and including the last trading day before the date of the Subscription Agreement.

The Subscription Price was arrived after arm's length negotiations between the Company and CN Logistics and is a commercial decision reached by the parties with reference to, among others, the prevailing market price of the CN Logistics Shares, the performance of the CN Logistics Group and the future prospects of the business of the CN Logistics Group.

The Subscription Shares will be subject to a contractual lock-up arrangement for a period of six months from the date of allotment of the Subscription Shares pursuant to the terms of the Subscription Agreement.

Conditions Precedent

Completion of the Subscription is subject to the fulfilment of the following conditions:

- (i) the current listing of the CN Logistics Shares not having been withdrawn, the CN Logistics Shares continuing to be traded on the Stock Exchange prior to and including the date of completion of the Subscription (save for any temporary suspension for no longer than 7 trading days or such other period as the Company may agree, or the temporary suspension in connection with transactions contemplated under the Subscription Agreement) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing;
- (ii) listing of and permission to deal in all the Subscription Shares being granted by the listing committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares);
- (iii) CN Logistics having obtained all consent and approval from the relevant governmental or regulatory authorities or other third parties which are necessary to be obtained for the execution and performance of the Subscription Agreement by CN Logistics and any of the transactions contemplated under the Subscription Agreement;

- (iv) CN Logistics having duly performed and observed all of the obligations, undertakings, covenants and agreements required to be performed and observed by it prior to the date of completion of the Subscription under the Subscription Agreement; and
- (v) all representations and warranties in the Subscription Agreement remaining true, accurate and not misleading in all material aspects and with no material omission as if repeated on completion of the Subscription Agreement in accordance with its terms and conditions and at all times between the date of the Subscription Agreement and completion of the Subscription.

The Company may waive the conditions set out in (i), (iv) and/or (v) (as to the representations and warranties of CN Logistics) above and CN Logistics may waive the condition set out in (v) above (as to the representations and warranties of the Company) at any time prior to the date of completion of the Subscription by notice in writing to the other party.

Completion

Completion of the Subscription is expected to take place on the fifth Business Day immediately after the date on which all conditions under the Subscription Agreement are fulfilled or waived (if applicable) (or such other date as may be agreed by the Company and CN Logistics in writing).

REASONS AND BENEFITS OF THE MOU AND THE SUBSCRIPTION

Logistics costs constitute a significant portion of the Group's operating costs. CN Logistics is a well-established international logistics solutions provider with extensive presence worldwide and a vast network of international freight forwarding partners and agents. CN Logistics has been providing logistics services to the Group since June 2021 with satisfactory quality of service. The appointment of CN Logistics as the Strategic Logistics Partner of the Group and the competitive charging rates offered by CN Logistics is expected to enable the Group to extend more shipping options offered by CN Logistics to the Group's customers in different worldwide locations and provide more savings to logistics costs, which is expected to result in positive impact to the traffic of the online platforms maintained by the Group.

It is expected that the Subscription will represent a strategic alliance between CN Logistics and the Company while CS Logistics Holding Ltd., a controlling shareholder of CN Logistics, is a cornerstone investor in the global offering of the Company in July 2021.

The Subscription Shares represent approximately 54% of the average daily trading volume of CN Logistics Shares over the last 5 trading days up to and including the last trading day before the date of the Subscription Agreement.

In view of the expected positive impact to the business of both CN Logistics and the Group through the Strategic Logistics Partnership, the Subscription is expected to enable the Group to foster a closer business partnership with CN Logistics for a longer term and result in potential investment returns to the Shareholders.

The Directors (including the independent non-executive Directors) consider that the MOU and the Subscription Agreement and the transactions contemplated thereunder were determined after arm's length negotiations among the parties thereto, are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

As all the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in relation to the Subscription Agreement and the transactions contemplated thereunder are less than 5%, the Subscription does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than (i) CN Logistics being a contractual party to the MOU and the Subscription Agreement and (ii) CS Logistics Holding Ltd. (a controlling shareholder of CN Logistics) holding approximately 2.3% shareholdings in the issued share capital of the Company as at the date of this announcement, CN Logistics and its ultimate beneficial owners are Independent Third Parties and the Subscription does not constitute a connected transaction of the Company under Chapter 14A of this Listing Rules. However, in the interests of completeness, general disclosure of the Subscription is made in this announcement on a voluntary basis.

The Group has evaluated the portfolio of the investment in the listed securities and the investment risks and has no present intention to further increase the investments in the shares in CN Logistics. Nonetheless, the Group will continue to look for investment opportunities with prospect and growth potential to contribute to the value of the Group.

INFORMATION ON THE GROUP

The Group is an online retailer headquartered in Hong Kong which engages in the procurement and sale of third-party branded and unbranded Asian fashion & lifestyle, beauty and entertainment products to customers around the world.

INFORMATION ON CN LOGISTICS

CN Logistics is a company incorporated in the Cayman Islands with limited liability, with its shares listed on the Main Board of the Stock Exchange (stock code: 2130). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal activity of CN Logistics is investment holding, and through its subsidiaries, principally engages in the provision of air freight forwarding services and distribution and logistics services in relation to fashion products and fine wine, primarily focusing on high-end fashion (including luxury and affordable luxury) products.

As the completion of the Subscription is subject to the satisfaction of the conditions precedent set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by a super typhoons or a “black” rainstorm warning signal is in force or remains in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. and is not lowered or discontinued at or before 5:00 p.m.) on which banks generally are open for business in Hong Kong throughout their normal business hours and the Stock Exchange is generally open for trading of securities throughout its normal trading hours in Hong Kong
“CN Logistics”	CN Logistics International Holdings Limited (嘉泓物流國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, with its shares listed on the Main Board of the Stock Exchange (stock code: 2130)
“CN Logistics Group”	CN Logistics and its subsidiaries
“CN Logistics Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of CN Logistics
“Company”	YesAsia Holdings Limited (喆麗控股有限公司), a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange (stock code: 2209)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Logistics Services”	logistics services, including freight forwarding/ shipping/local distribution, to be provided by CN Logistics Group to the Group pursuant to the terms of the MOU
“MOU”	memorandum of understanding in respect of the Strategic Logistics Partnership entered into on 22 November 2021 between the Company and CN Logistics
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Logistics Partnership”	the strategic logistics cooperation arrangement as contemplated under the MOU
“Subscription”	proposed subscription of the Subscription Shares by the Company in the share capital of CN Logistics pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 29 November 2021 entered into between CN Logistics and the Company in relation to the Subscription
“Subscription Price”	HK\$9.2 per Subscription Share
“Subscription Share(s)”	1,100,000 CN Logistics Share(s), representing approximately 0.4% of the total issued share capital of CN Logistics as at the date of this announcement and approximately 0.4% of the enlarged total number of issued shares of CN Logistics upon allotment of the Subscription Shares (assuming that there will be no change in the issued share capital of CN Logistics between the date of this announcement and the date of completion of the Subscription apart from the issue of Subscription Shares)

“United States”

United States of America

“%”

per cent

By order of the Board
YESASIA HOLDINGS LIMITED
Ng Sai Cheong
Company Secretary

Hong Kong, 29 November 2021

As of 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.