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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)**

## **PROFIT WARNING AND BUSINESS UPDATES**

This announcement is made by YesAsia Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **PROFIT WARNING**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on preliminary assessment by the Group’s management of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2022 (the “**Relevant Period**”), as well as other information currently available to the Board, the Group recorded an unaudited consolidated net loss of approximately US\$1.9 million for the Relevant Period, as compared to a net profit of approximately US\$0.7 million and an adjusted net profit (after adjustments for the listing expenses incurred) of approximately US\$1.3 million for the five months ended 31 May 2021 (the “**Prior Period**”). Such net loss for the Relevant Period was primarily attributable to the following reasons:

#### **(a) Decrease in revenue from major sales countries**

Based on the information currently available, the unaudited consolidated revenue of the Group for the Relevant Period is approximately US\$52.5 million, representing a decrease of approximately US\$21.8 million or 29.3% compared to approximately US\$74.3 million for the Prior Period.

Accordingly, the unaudited consolidated gross profit of the Group for the Relevant Period is approximately US\$18.2 million, representing a decrease of approximately US\$7.2 million or 28.3% compared to approximately US\$25.4 million for the Prior Period.

Revenue by geographies for the Relevant Period and Prior Period are summarised as below:

	<b>For the five months ended</b>	
	<b>31 May 2022</b>	31 May 2021
	<i>US\$'000</i>	<i>US\$'000</i>
United States of America (the "USA")	<b>26,174</b>	32,170
European countries	<b>9,719</b>	22,953
United Kingdom	<b>3,255</b>	4,419
Australia	<b>3,614</b>	4,810
Others	<b>9,743</b>	9,919
<b>Total</b>	<b>52,505</b>	74,271

The decrease in revenue for the Relevant Period compared to the Prior Period, and the net loss of the Group recorded during the Relevant Period, are mainly attributable to the decrease in number of sale orders by approximately 310,000 or 35.3%, particularly from online retail customers of fashion & lifestyle products and beauty products in the USA, European countries, the United Kingdom and Australia, due to much reduced consumer discretionary spending caused by surging energy prices and cost of living in those countries, as evidenced by the highest inflation rate on record in the past four decades. Also, the impact of the war in Ukraine lowered consumers' confidence in the economic outlook in the relevant regions, further impacting their online consumption.

**(b) Enhanced control measures to reduce expenses**

The Group further enhanced its cost control measures during the Relevant Period. Selling expenses, including warehouse labour-related expenses, marketing and promotion fees, and payment gateway charges, were reduced by approximately US\$3.7 million or 32.4% as compared to the Prior Period. Moreover, administrative expenses (after adjustments for the listing expenses incurred during the Prior Period), reduced by approximately US\$0.3 million or 2.1% as compared to the Prior Period, which are mainly attributable to the decrease in staff costs, staff training and recruitment expenses, utilities expenses and office consumable expenses in the Relevant Period.

## **BUSINESS UPDATES**

To cope with the evolving and challenging E-commerce environment in our major sales countries, the Group continues enacting additional cost control measures, including the establishment of a smart fulfilment centre using artificial intelligence, which is expected to control the increase in operational expenses, enhance efficiency and promote profitability.

The performance of the customer relationship management system deployed in October 2021 generated approximately US\$4.5 million revenue during the Relevant Period. The Group continues to offer tailored user journeys based on customer behaviour to further expand the revenue contribution from repeat customers. Approximately 680,000 new members joined the *YesStyle Elite Club*, the Group's loyalty program designed to enhance customer engagement, during the Relevant Period, resulting in a total of approximately 7.1 million members in the *YesStyle Elite Club* as at 31 May 2022.

The Group will continue to launch innovative marketing campaigns to promote traffic and drive conversion on our websites. The *YesStyle Student Program*, launched in December 2021, has brought in over 24,000 new student members and approximately US\$1.4 million in revenue during the Relevant Period.

**As the Company has not yet begun preparing interim results of the Group for the six months ending 30 June 2022 (the "Interim Results"), the information contained in this announcement is only based on preliminary assessment of information currently available and the unaudited consolidated management accounts of the Group for the Relevant Period by the management of the Company, and is not based on any figures or information audited or reviewed by the Company's independent auditor and/or audit committee, and therefore may be subject to further adjustment. Further details of the Interim Results will be disclosed in accordance with the requirements of the Listing Rules in August 2022, which shall prevail over the information contained herein.**

**The Board wishes to emphasize that the Interim Results may be affected by a number of other factors, including but not limited to the performance of the Group in June 2022. As such, the above information is provided for Shareholders' and potential investors' reference only.**

**This announcement contains certain forward looking statements in relation to financial conditions, results of operation, and business of the Group (the "Forward Looking Statements"). The Forward Looking Statements are made based on the preliminary assessment of information currently available to the Board, therefore the actual future results or performance of the Group may differ materially from the Forward Looking Statements. Shareholders and potential investors should carefully consider the related risk factors and should not place undue reliance on the Forward Looking Statements.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 30 June 2022

*As of the date of this announcement, the executive Directors are Mr. LAU Kwok Chu, Ms. CHU Lai King, and Mr. CHU Kin Hang; 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.*