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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)

EARLY TERMINATION OF CONTINUING CONNECTED TRANSACTIONS

This announcement is made by YesAsia Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 14A.35 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcements of the Company dated 18 October 2021 and 11 November 2021 (the “**Announcements**”) in relation to, among other things, the continuing connected transactions under the 2021 HKT Agreement pursuant to which HKT provides contact centre services including email and other electronic channel support to the Company’s customers. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

REASONS FOR EARLY TERMINATION OF THE 2021 HKT AGREEMENT

As stated in the Announcements, under the 2021 HKT Agreement, either party thereto is entitled to terminate the 2021 HKT Agreement by giving not less than two months’ written notice to the other party at any time after the expiration of the first ten months of the 2021 HKT Agreement (i.e. after 2 August 2022).

It has been an ongoing initiative of the Group to maintain a diversified group of service providers to support its daily operations, in the hope of achieving a better return to our Shareholders while ensuring a competitive level of service being delivered to our customers. Apart from HKT, the Company has been engaging another independent third-party service provider (“**Other Service Provider**”) since January 2022 to offer the same scope of services and expertise support as HKT under another existing service agreement (“**Another Service Agreement**”). Having considered the terms of the Another Service Agreement (including but not limited to pricing, scope of services, existing level of staff expertise and other service terms), the quality of services provided by the Other Service Provider so far and the capacity of the Other Service Provider to cover the expected level of services required by the Group, the Board hereby announces that on 11 August 2022 (after trading hours), the Company has served a written notice of termination to HKT pursuant to the 2021 HKT Agreement for the early termination of the 2021 HKT Agreement with effect from 11 October 2022 (“**Termination**”).

Upon the Termination and the payment of all outstanding service fees by the Company in respect of the services provided by HKT before the effective date of Termination, the parties shall be released and discharged from its respective liabilities and obligations under the 2021 HKT Agreement (except (i) that the Termination shall not affect any antecedent rights, liabilities and claims of each of HKT and the Company occurred prior to the Termination and (ii) the rights and obligations that survive the Termination (including obligations in connection with confidential information)).

The Company confirms that the actual transaction amount of fees payable by the Company to HKT before the Termination is not expected to exceed the proposed annual cap as disclosed in the Announcements. As of the date of this announcement, there has been no breach of contract terms of the 2021 HKT Agreement by the Company or HKT, no material disputes or disagreements in respect of the 2021 HKT Agreement between the Company and HKT during the term of the 2021 HKT Agreement.

The contact centre operated under the Another Service Agreement is outside Hong Kong and in the same country as that operated under the 2021 HKT Agreement. Also, the Other Service Provider is experienced in offering high standard of professional customer care solutions to retail and E-commerce businesses with global operations and the Company is satisfied with the quality of services provided by the Other Service Provider to date. The Company is expected to continue to benefit from the lower costs in operating and managing the contact centre by the Other Service Provider whilst maintaining a competitive high standard of service to our customers.

LISTING RULES IMPLICATIONS

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.

PCCW e-Ventures is an indirect wholly-owned investment holding subsidiary for strategic investments by PCCW. PCCW is a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses.

As at the date of this announcement, 39,704,030 Shares, representing approximately 10.03% of the total number of issued Shares, were held by PCCW e-Ventures. As such, PCCW e-Ventures is a substantial Shareholder and a connected person of the Company under Chapter 14A of the Listing Rules. HKT is an indirect non-wholly owned subsidiary of PCCW (which in turn indirectly holds 100% equity interest in PCCW e-Ventures), and is therefore a fellow subsidiary and an associate of PCCW e-Ventures. HKT is hence a connected person of the Company under the Listing Rules.

As the continuing connected transactions under the 2021 HKT Agreement was early terminated, the Company is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Other Service Provider and its ultimate beneficial owner(s) are third parties independent of the Company and its connected person(s).

APPROVAL BY THE BOARD

As the Overlapping Directors hold senior positions in the PCCW Group, for good corporate governance, they have abstained from voting on the resolution of the Board to early terminate the 2021 HKT Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, apart from the Overlapping Directors who have abstained from voting on the Board resolution, none of the Directors has a material interest in the Termination and they are entitled to vote on the relevant Board resolution pursuant to the Company's articles of association. Upon the Termination, the Group has no other connected transactions with the PCCW Group as of the date of this announcement.

The Board (including the independent non-executive Directors but excluding the Overlapping Directors) considers that the Termination is fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Company and in the interests of the Company and its Shareholders as a whole, and is expected to have no material adverse effect on the operations and financial position of the Group.

DEFINITIONS

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

“2021 HKT Agreement”	a service agreement entered into on 18 October 2021 between the Company and HKT
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“HKT”	HKT Teleservices International Limited, a company incorporated in Hong Kong with limited liability
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China

“Overlapping Directors”	Directors who hold senior positions in the PCCW Group, namely Mr. Hui Yat Yan Henry and Mr. Poon Chi Ho
“PCCW”	PCCW Limited (電訊盈科有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 0008)
“PCCW e-Ventures”	PCCW e-Ventures Limited, a company incorporated in Hong Kong with limited liability
“PCCW Group”	PCCW and its subsidiaries
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholders”	shareholders of the Company

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

Hong Kong, 11 August 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.