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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 2022**

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 2022. This announcement, containing the full text of the interim report of the Company for the six months ended 30 June 2022 (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. 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 2022.

On behalf of the Board

Chu Lai King

Chairperson

Hong Kong, 26 August 2022

As at 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.

CONTENTS

- 1** Contents
- 2** Corporate Information
- 4** Key Highlights
- 5** Management Discussion and Analysis
- 16** Other Information
- 26** Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 27** Interim Condensed Consolidated Statement of Financial Position
- 28** Interim Condensed Consolidated Statement of Changes in Equity
- 29** Interim Condensed Consolidated Statement of Cash Flows
- 30** Notes to Interim Condensed Consolidated Financial Information
- 52** Definitions and Glossary

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Kwok Chu (劉國柱) (*Chief Executive Officer*)

Ms. Chu Lai King (朱麗琼) (*Chairperson*)

Mr. Chu Kin Hang (朱健恒)

(Appointed on 23 June 2022)

Ms. Wong Shuet Ha (黃雪夏)

(Retired on 23 June 2022)

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*)

Mr. Chu Kin Hang (朱健恒)

(Appointed on 23 June 2022)

Ms. Wong Shuet Ha (黃雪夏)

(Retired on 23 June 2022)

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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Registered Public Interest Entity Auditor

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New Territories

Hong Kong

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SHARE REGISTRAR

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Hong Kong

PRINCIPAL BANKERS

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

STOCK CODE

2209

CORPORATE WEBSITE

www.yesasiaholdings.com

SHOPPING WEBSITES

www.yesstyle.com
www.asianbeautywholesale.com
www.yesasia.com

KEY HIGHLIGHTS

	Six months ended 30 June		Change (%)
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000	
Revenue	62,905	88,368	-28.8%
Gross profit	21,778	30,800	-29.3%
Gross profit margin ⁽¹⁾	34.6%	34.9%	-0.3%
(Loss)/profit for the period	(2,264)	515	-539.6%
Proposed interim dividend (per Share)	N/A	HK 5.0 cents	

Note:

- (1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.

E-commerce Platforms ⁽¹⁾	Six months ended 30 June	
	2022	2021
Number of E-commerce platforms customers ⁽²⁾ (Million)	0.6	1.0
Average order size ⁽³⁾ (US\$)	\$63.4	\$74.4
Acquisition cost per new customer ⁽⁴⁾ (US\$)	\$12.0	\$10.7
Revenue generated from fashion and lifestyle products (US\$ Million)	\$26.8	\$42.0
Revenue generated from beauty products (US\$ Million)	\$31.5	\$42.6
Revenue generated from entertainment products on E-commerce platform (US\$ Million)	\$3.9	\$3.0
Return rate (YesStyle)	1.18%	1.08%
Return rate (AsianBeautyWholesale)	0.25%	0.57%
Return rate (YesAsia)	0.19%	0.13%

Note:

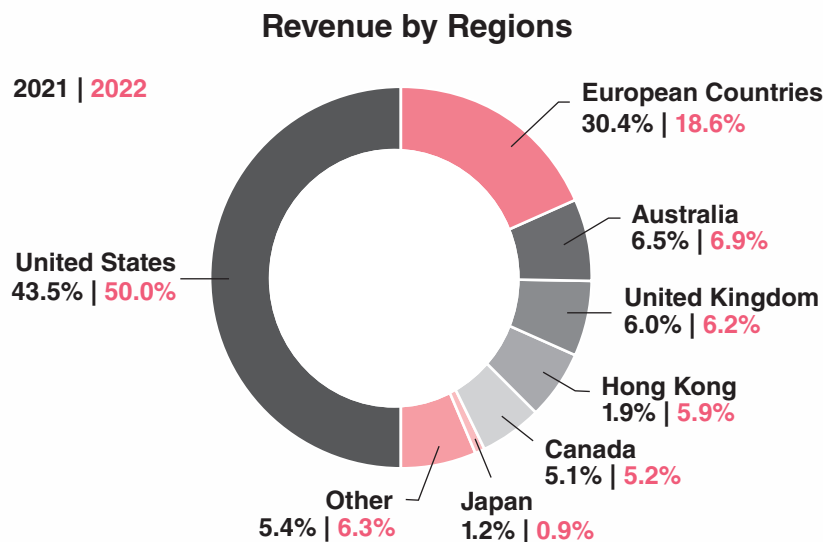
- (1) E-commerce Platforms include YesStyle (website and mobile app), AsianBeautyWholesale (website) and YesAsia (website).
- (2) A person is considered as customer of our E-commerce platform during a reporting period if the first invoice of his/her/its order has been issued within the reporting period. 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 is equal 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) This represents 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 is counted as a new customer for each of the reporting periods.

YesStyle Platform	Six months ended 30 June	
	2022	2021
Number of YesStyle Mobile App downloads (Includes IOS and Android)	488,000	816,000
Influencer Program expenses (US\$ Million)	\$0.5	\$0.9
Revenue generated by the YesStyle Mobile App (US\$ Million)	\$20.8	\$29.1
Revenue generated by influencers (US\$ Million)	\$9.4	\$13.8

BUSINESS OVERVIEW

The year 2022 has been strenuous compared to 2021. Unaudited consolidated revenue of the Group for the six months ended 30 June 2022 (“Reporting Period”) was approximately US\$62.9 million, representing a decrease of approximately US\$25.5 million or 28.8% compared to approximately US\$88.4 million for the six months ended 30 June 2021 (“Prior Period”).

The lower revenue was mainly attributable to a decrease in the number of sale orders by approximately 205,000 or 17.5% in the Reporting Period, particularly from online retail customers of fashion, beauty and lifestyle products in the United States, European countries, Australia, and the United Kingdom, and surging energy prices and increased cost of living in those countries, as evidenced by the highest inflation rate on record in the past four decades, greatly reduced consumers’ discretionary spending, leading to lower sales. Also, the impact of the war in Ukraine lowered consumers’ confidence of the economic outlook in the relevant regions, further impacting consumers’ online consumption.

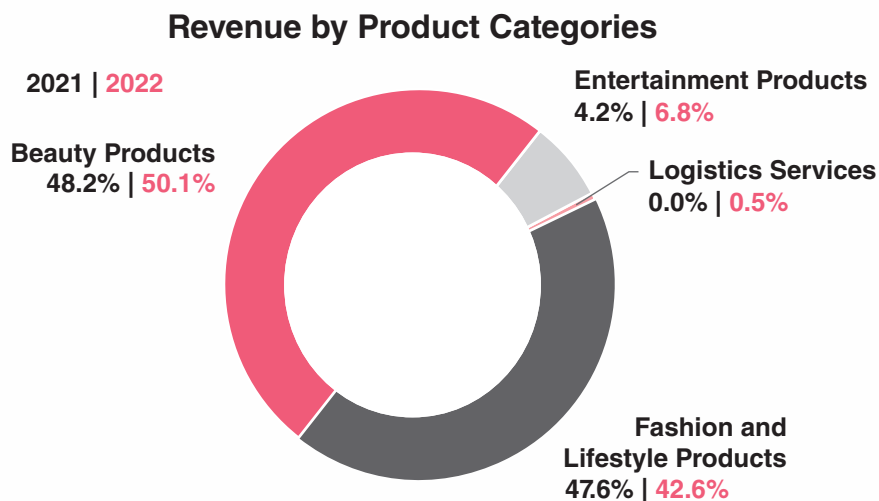


In terms of product category distribution, fashion and lifestyle products recorded revenue of approximately US\$26.8 million (Prior Period: US\$42.0 million), accounting for 42.6% (Prior Period: 47.6%) of our Group’s total revenue during the Reporting Period.

Beauty products delivered approximately US\$31.5 million (Prior Period: US\$42.6 million) in revenue during the Reporting Period, representing approximately 50.1% (Prior Period: 48.2%) of our Group’s total revenue.

Entertainment products recorded revenue of approximately US\$4.3 million (Prior Period: US\$3.7 million) during the Reporting Period. The increase in entertainment product revenue during the Reporting Period is mainly due to the concert Blu-ray of a popular Hong Kong boy band, “MIRROR” being made available on YesAsia.com.

MANAGEMENT DISCUSSION AND ANALYSIS



Reaching New Heights in Number of YesStyle Elite Club members and Influencers

Despite the fierce competition in the retail market, *YesStyle* achieved an increase in the number of *YesStyle Elite Club* members of approximately 2.1 million or 42.3% during the Reporting Period. As at 30 June 2022, the number of *YesStyle Elite Club* members reached a record high of approximately 7.2 million.

The customer relationship management system deployed in October 2021 generated approximately US\$5.6 million revenue during the Reporting Period. The Group continues to offer tailored user journeys based on customer behavior to further increase the revenue contribution from repeat customers.

The *YesStyle Influencer Program* continued to expand during the Reporting Period. Along with the launch of a series of promotional campaigns and initiatives, approximately 36,000 new influencers joined the Program during the Reporting Period, with a total of approximately 253,000 influencers as at 30 June 2022, representing a growth of 16.4% since the beginning of the Reporting Period.

Breakthrough in logistics cost management amid soaring fuel prices

Since the global outbreak of the COVID-19 pandemic in early 2020, product delivery costs and, particularly freight charges have steadily increased.

The Group worked closely with our strategic logistics partner, CN Logistics, on logistics solutions for the Company's delivery of products to the United States, Europe and other overseas markets at rates better than our other service providers.

The Group achieved a reduction in freight cost as a percentage of revenue to approximately 25.1% in the Reporting Period as compared to 26.0% in the Prior Period.

OUTLOOK

Online consumption level has been boosted by the emergence of COVID-19. Still, the Group remains cautiously optimistic about the business development and overall performance of the Group in the future. The recent rising levels of food and fuel inflation, particularly in the Group's major sales countries, will continue to affect customer spending in the near term. The increasing freight costs and fuel prices add further challenges to the Group's operation.

In order to deal with the challenges and maintain the Group's competitiveness, the Group has focused and will continue to focus on cost savings and increasing operational efficiency by proactively taking on new initiatives.

On 31 January 2022, YA Logistics Limited, a wholly-owned subsidiary of the Group, entered into a lease agreement for an approximately 137,525 square feet warehouse at Goodman Interlink which suits our need for a smart warehousing with artificial intelligence, robotics and automation technology ("Smart Robotics Warehouse"). Subsequently, the Group entered into a contract for the supply and installation of the Smart Robotics Warehouse, including the deployment of 145 innovative Autonomous Mobile Robots (AMRs) in February 2022 and a renovation contract for the warehouse at Goodman Interlink with Geek Plus International Company Limited in April 2022.

We hope that with implementation of the Smart Robotics Warehouse will enable the Group to reduce fulfilment labor cost, and increase fulfilment capacity to cope with the future growth of our online business. The Smart Robotics Warehouse is expected to commence operations in the third quarter of 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

Our Group's revenue decreased by 28.8% from approximately US\$88.4 million during the six months ended 30 June 2021 to approximately US\$62.9 million during the six months ended 30 June 2022. The decrease in the Group's revenue was primarily attributable to the decrease of approximately US\$26.9 million in revenue generated from sales of our fashion & lifestyle and beauty products on our *YesStyle* platform (website and mobile app). The decrease of our Group's revenue during the Reporting Period was also resulted from (i) a decrease in number of E-commerce platforms customers by approximately 400,000 on a year-on-year basis; (ii) a decrease in average order size to approximately US\$63.4 from US\$74.4 in the Prior Period; and (iii) a decrease in revenue generated from the United States and European Union countries, which showed an approximately US\$7.0 million or 18.2% year-on-year decline and US\$15.1 million or 56.4% year-on-year decline, respectively.

During the Reporting Period, *AsiaBeautyWholesale's* revenue increased by approximately US\$0.6 million or 17.6% to approximately US\$4.2 million (six months ended 30 June 2021: US\$3.6 million). The increase in *AsiaBeautyWholesale's* revenue during the Reporting Period is mainly due to increase in average order size by approximately 32.8% during the Reporting Period compared to that in Prior Period.

During the Reporting Period, the *YesAsia* platform's revenue increased by approximately US\$0.8 million or 27.5% to approximately US\$3.9 million (six months ended 30 June 2021: US\$3.0 million). The increase in entertainment product revenue during the Reporting Period was mainly due to the concert Blu-ray of a popular Hong Kong boy band, "MIRROR", being made available on *YesAsia.com*.

During the Reporting Period, the Group started up a new business segment which provides logistics and fulfillment services to external corporate customers by YA Logistics Limited, a wholly-owned subsidiary of the Group. During the Reporting Period, the logistics services business segment contributed a revenue of approximately US\$0.3 million to the Group's revenue (six months ended 30 June 2021: Nil). The Group expects that the new business segment can diversify the customer base and achieve a better utilise of the Group's warehouse labour after the launch of the Smart Robotics Warehouse to generate revenue from a new source.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue by Business Segments

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

	2022		2021		Change (%)
	(Unaudited) US\$'000	As % of total revenue	(Unaudited) US\$'000	As % of total revenue	
Fashion & lifestyle and beauty products					
– YesStyle Platforms	54,146	86.1	81,082	91.8	(33.2%)
– AsianBeautyWholesale	4,174	6.6	3,549	4.0	17.6%
	58,320	92.7	84,631	95.8	(31.1%)
Entertainment products					
– YesAsia Platform	3,878	6.2	3,041	3.4	27.5%
– Offline wholesale	382	0.6	696	0.8	(45.1%)
	4,260	6.8	3,737	4.2	14.0%
Logistics services	325	0.5	–	–	100%
Total	62,905	100	88,368	100	(28.8%)

MANAGEMENT DISCUSSION AND ANALYSIS

COST OF SALES

Cost of sales of the Group during the six months ended 30 June 2022 was approximately US\$41.1 million, representing a decrease of approximately US\$16.4 million or 28.6%, as compared to approximately US\$57.6 million during the six months ended 30 June 2021. The decrease in cost of sales was mainly due to the decrease in revenue during the six months ended 30 June 2022.

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

	Six months ended 30 June		2021		Change (%)
	2022 (Unaudited) US\$'000	As% of revenue	(Unaudited) US\$'000	As% of revenue	
Product costs	24,907	39.6	33,895	38.3	(26.5%)
Freight charges	15,772	25.1	22,974	26.0	(31.3%)
Packing materials	448	0.7	699	0.8	(35.9%)
Total	41,127	65.4	57,568	65.1	(28.6%)

GROSS PROFIT AND GROSS MARGIN

Gross profit of the Group during the six months ended 30 June 2022 was approximately US\$21.8 million, representing a decrease of approximately US\$9.0 million or 29.3% as compared to approximately US\$30.8 million for the six months ended 30 June 2021. The gross profit margin during the six months ended 30 June 2022 remained stable at approximately 34.6% (six months ended 30 June 2021: 34.9%).

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

	Six months ended 30 June		2021		Change (%)
	2022 (Unaudited) US\$'000	Gross Profit Margin (%)	(Unaudited) US\$'000	Gross Profit Margin (%)	
Fashion & lifestyle and beauty products					
– YesStyle Platforms	19,510	36.0	29,372	36.2	(33.6%)
– AsianBeautyWholesale	1,124	26.9	769	21.7	46.2%
	20,634	35.4	30,141	35.6	(31.5%)
Entertainment products					
– YesAsia Platform	806	20.8	622	20.5	29.6%
– Offline wholesale	24	6.3	37	5.3	(35.1%)
	830	19.5	659	17.6	25.9%
Logistics services	314	96.6	–	–	100%
Total	21,778	34.6	30,800	34.9	(29.3%)

OTHER INCOME AND OTHER GAINS AND LOSSES

Our other income and other gains increased by 64.8% from approximately US\$0.4 million during the six months ended 30 June 2021 to approximately US\$0.6 million during the six months ended 30 June 2022. The increase was primarily attributable to (i) the approximately US\$0.4 million one-off government subsidy from the Employment Support Scheme 2022 received during the six months ended 30 June 2022 (six months ended 30 June 2021: US\$5,000); and (ii) the receipt of interest income from bank deposits of approximately US\$45,000 during the six months ended 30 June 2022 (six months ended 30 June 2021: US\$5,000), partially offset by a decrease in credit card rebate reward to approximately US\$65,000 during the six months ended 30 June 2022 (six months ended 30 June 2021: US\$0.3 million).

SELLING EXPENSES

The Group's selling expenses for the Reporting Period were approximately US\$9.1 million (six months ended 30 June 2021: US\$13.3 million), representing a decrease of approximately 31.9% as compared to that for the corresponding period in 2021. As the Group further enhanced its cost control measures during the Reporting Period, (i) marketing and promotion fees decreased by approximately US\$1.5 million or 30.8% to approximately US\$3.3 million (six months ended 30 June 2021: US\$4.7 million) mainly due to reduced marketing expenses under the enhanced cost control measures implemented by the Group; (ii) outsourced warehouse labour cost decreased by approximately US\$1.6 million or 59.7% to approximately US\$1.1 million (six months ended 30 June 2021: US\$2.6 million) due to reduced outsourced labour cost under the enhanced cost control measures implemented by the Group; (iii) warehouse wages decreased by approximately US\$0.3 million or 14.0% to approximately US\$2.1 million (six months ended 30 June 2021: US\$2.5 million) mainly due to less overtime charges incurred and paid during the Reporting Period; and (iv) payment gateway charges decreased by approximately US\$0.5 million or 22.2% to approximately US\$1.6 million (six months ended 30 June 2021: US\$2.1 million) due to decrease in sales during the six months ended 30 June 2022. Moreover, as the Group started to charge tax and duties to customers in accordance with the applicable law during the Reporting Period, custom duties expenses decreased by approximately US\$0.5 million or 86.5% to approximately US\$80,000 (six months ended 30 June 2021: US\$0.6 million). However, our IT networking expenses increased by approximately US\$0.2 million or 31.3% to approximately US\$0.7 million (six months ended 30 June 2021: US\$0.5 million) due to higher spending in cloud and security services expenses and IT outsourcing expenses.

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

	Six months ended 30 June		2021		Change (%)
	2022 (Unaudited) US\$'000	As% of revenue	(Unaudited) US\$'000	As% of revenue	
Marketing and promotion fees	3,254	5.2	4,704	5.3	(30.8%)
Warehouse wages	2,114	3.4	2,459	2.8	(14.0%)
Payment gateway charges	1,620	2.6	2,083	2.4	(22.2%)
Outsourced warehouse labor charges	1,049	1.7	2,605	2.9	(59.7%)
IT networking fee	705	1.1	537	0.6	31.3%
Web content and translation fee	252	0.4	334	0.4	(24.6%)
Custom duties	80	0.0	593	0.7	(86.5%)
Total	9,074	14.4	13,315	15.1	(31.9%)

MANAGEMENT DISCUSSION AND ANALYSIS

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the Reporting Period were approximately US\$15.1 million (six months ended 30 June 2021: US\$16.6 million), representing a decrease of approximately 9.0% as compared to that in the Prior Period. The decrease was mainly due to the absence in listing expenses incurred during the Reporting Period as compared to approximately US\$1.3 million in the Prior Period and the decrease in staff costs, staff training and recruitment expenses, utilities expenses and office consumable expenses in the Reporting Period, partially offset by (i) an increase in depreciation of right-of-use assets by approximately US\$0.5 million or 21.8% to approximately US\$2.7 million (six months ended 30 June 2021: US\$2.2 million); and (ii) an increase in rates and management fee by approximately US\$0.2 million or 58.9% to approximately US\$0.6 million (six months ended 30 June 2021: US\$0.4 million). The increases in depreciation of right-of-use assets and rates and management fee were resulted from the new warehouse at Goodman Interlink for Smart Robotics Warehouse during the Reporting Period.

	2022		2021		Change (%)
	(Unaudited) US\$'000	As% of revenue	(Unaudited) US\$'000	As% of revenue	
Staff costs	9,073	14.4	9,367	10.6	(3.1%)
Depreciation of right-of-use assets	2,687	4.3	2,206	2.5	21.8%
Depreciation of property, plant and equipment	757	1.2	636	0.7	19.0%
Legal and professional fees	583	0.9	636	0.7	(8.3%)
Rates and management fee	556	0.9	350	0.4	58.9%
Utilities expenses	418	0.7	509	0.6	(17.9%)
Directors' remuneration	309	0.5	276	0.3	12.0%
Exchange (gains)/losses, net	275	0.4	848	1.0	(67.6%)
Operating lease charges	170	0.3	152	0.2	11.8%
Auditor's remuneration	77	0.1	77	0.1	0.0%
Staff training and recruitment expenses	28	0.0	129	0.1	(78.3%)
Listing expenses	–	–	1,303	1.5	(100.0%)
Others	214	0.4	155	0.1	38.1%
Total	15,147	24.1	16,644	18.8	(9.0%)

FINANCE COSTS

The Group's finance costs for the Reporting Period were approximately US\$225,000 (six months ended 30 June 2021: US\$205,000), representing an increase of approximately 9.8% as compared to that of the Prior Period, reflecting an increase in lease interest for new warehouse leased during the Reporting Period.

INCOME TAX EXPENSE

Income tax expense for the Reporting Period was approximately US\$37,000 (six months ended 30 June 2021: US\$478,000), representing a decrease of approximately US\$441,000 or 92.3% as compared to that of the Prior Period. The decrease was mainly due to the lower taxable profit during the six months ended 30 June 2022.

(LOSS)/PROFIT FOR THE PERIOD

As a result of the foregoing, a net loss of approximately US\$2.3 million was recorded during the Reporting Period (six months ended 30 June 2021: US\$515,000 profit) The decrease was mainly attributable to the decrease in sales in our major sales countries including United States, the United Kingdom and European countries during the Reporting Period.

CAPITAL EXPENDITURE

During the Reporting Period, the Group acquired plant and equipment of approximately US\$76,000 (six months ended 30 June 2021: US\$1.1 million), representing a decrease of approximately US\$1.0 million or 93.1% as compared to that for the Prior Period.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity was cash from operations and the proceeds from the Global Offering. As of 30 June 2022, the Group's bank and cash balances amounted to approximately US\$26.5 million (31 December 2021: US\$36.5 million).

Our bank and cash balance were mainly denominated in the US Dollar, Hong Kong Dollar and Korean Won which decreased by approximately US\$9.9 million during the Reporting Period which was attributable to (i) net cash used in operating activities of approximately US\$6.5 million; (ii) lease payments of approximately US\$2.2 million; and (iii) an increase in pledged bank deposits by approximately US\$1.2 million.

The net cash used in operating activities was mainly due to net loss for the Reporting Period of US\$2.3 million and progress payments made for the equipment and renovation of Smart Robotics Warehouse of approximately US\$2.0 million, and an increase in inventories by approximately US\$1.4 million from our increase in bulk purchase to reduce inward shipping cost.

The increase in pledged bank deposits was made to obtain bank guarantee for a service provider under the import-one-stop-shop scheme.

As at 30 June 2022 and 2021, the Group had no bank borrowing (31 December 2021: Nil).

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

TREASURY AND FOREIGN EXCHANGE POLICIES

The Group's treasury management policy is to avoid any investment in highly leveraged or speculative derivative products. The Group continued to be conservative in managing financial risk during the Reporting Period. Consistent with the aforesaid treasury objectives and policy, the Group undertakes treasury management activities with respect to its surplus cash assets. The criteria for selection of investments include the relative risk profile involved, the liquidity of an investment, the after tax equivalent yield of an investment and, investments that are not speculative in nature.

Most business transactions, assets and liabilities of the Group were denominated either in the US Dollar, Hong Kong Dollar, Korean Won, British Pound Sterling, Japanese Yen, Euro or Renminbi. The E-commerce customers of the Group generally settle their invoices using their designated currencies upon checkout via secure payment gateways, and the fund is generally transferred to the Group's account in Hong Kong Dollar and the U.S. Dollar upon conversion. As Hong Kong Dollar is pegged to US Dollar, our Group does not expect any significant movements in the exchange rate between US Dollars and Hong Kong Dollars. Besides, our Group has certain exposure to foreign currency risk as some of our business transactions, assets and liabilities are denominated in currencies other than the functional currency of our Group such as Korean Won, Japanese Yen, British Pound Sterling, Renminbi and Euro.

MANAGEMENT DISCUSSION AND ANALYSIS

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

GEARING RATIO

Our gearing ratio, calculated by the total interest-bearing liabilities (including lease liabilities) divided by total equity, increased from approximately 35.2% as at 31 December 2021 to approximately 71.4% as at 30 June 2022, primarily due to lease liabilities recognised for the new warehouse leased during the Reporting Period.

As of 30 June 2022, the Group has no outstanding bank borrowings (31 December 2021: Nil).

CONTINGENT LIABILITIES

Saved from the contingent liabilities disclosed in Note 21 to the Interim Condensed Consolidated Financial Information in this report, the Group does not have other material contingent liabilities at 30 June 2022 (At 31 December 2021: Nil).

CAPITAL COMMITMENTS

Save for the approximately US\$332,000, US\$1,554,000 and US\$244,000 capital commitments provided for the renovation and acquisitions of robots for the Smart Robotics Warehouse as well as other renovation and equipment purchases respectively disclosed in Note 22 to the Interim Condensed Consolidated Financial Information, the Group did not have any significant capital commitments as at 30 June 2022.

SIGNIFICANT INVESTMENTS HELD

During the Reporting Period, we did not hold any significant investments, save for 1,100,000 shares in CN Logistics (being listed equity securities, 2130.HK), representing approximately 0.40% of the issued share capital of the CN Logistics as at 30 June 2022, with fair value amounted to approximately US\$1.3 million as at 30 June 2022 (31 December 2021: US\$1.4 million). The investment represents approximately 1.76% of the total asset of the Company as at 30 June 2022 (31 December 2021: 2.05%). The aforementioned 1,100,000 shares in CN Logistics were subscribed by the Company at a total cash consideration of HK\$10,120,000. 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 at 30 June 2022, the unrealised fair value loss of such investment was approximately US\$0.1 million due to the decrease in share price in CN Logistics. We have received dividend of approximately US\$30,000 from the investment during the Reporting Period. In view of the expected positive impact to the business of both CN Logistics and the Group through the strategic logistics partnership, the investment in CN Logistics is expected to be strategic and 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.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$5.0 cents per Share).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Except as disclosed herein, as of the date of this report, the Group did not have any future plans for material investments or capital assets in the coming year.

MATERIAL ACQUISITIONS, DISPOSALS AND FUTURE PLANS FOR SUBSIDIARIES

During the Reporting Period and as of the date of this interim report, we did not have any material acquisition or disposal of subsidiaries, associates and joint ventures nor any future plans in relation to such actions.

CHARGE ON ASSETS

As at 30 June 2022, 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 banking facilities were secured by the pledged deposit of the Group of approximately US\$3.6 million as of 30 June 2022 (31 December 2021: US\$ 2.0 million).

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2022, we had 522 employees (six months ended 30 June 2021: 637 employees), all of whom were based in Hong Kong, Japan and South Korea. For the six months ended 30 June 2022, total staff costs amounted to approximately US\$11.5 million (six months ended 30 June 2021: approximately US\$12.1 million).

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. Share options are also available to employees of the Group under the Post-IPO Share Option Scheme at the sole discretion of the Board or its delegate(s).

OTHER INFORMATION

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

As of 30 June 2022, 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) ⁽¹⁾	Beneficial interest	Long position	123,047,980	31.08%
	Interest of Spouse	Long position	29,835,550	7.53%
Ms. Chu Lai King (朱麗琼) ⁽¹⁾	Beneficial interest	Long position	29,835,550	7.53%
	Interest of Spouse	Long position	123,047,980	31.08%
Mr. Chu Kin Hang (朱健恒) ⁽²⁾	Beneficial interest	Long position	4,742,120	1.20%
Mr. Lui Pak Shing Michael (雷百成)	Beneficial interest	Long position	35,183,210	8.89%

Notes:

- (1) As at 30 June 2022, Mr. Lau directly held 119,347,980 Shares, and held options under the Pre-IPO Share Option Schemes which entitled him to subscribe for 3,700,000 Shares.

As at 30 June 2022, Ms. Chu directly held 29,235,550 Shares, and held 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 152,883,530 Shares as at 30 June 2022, representing approximately 38.61% of the issued share capital of the Company as at 30 June 2022).

- (2) Mr. Chu Kin Hang is the brother of Ms. Chu and brother-in-law of Mr. Lau.

Mr. Lau 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 in Hong Kong 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.

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

As of 30 June 2022, 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 ⁽¹⁾	Beneficial interest	Long Position	39,704,030	10.03%
CyberWorks Ventures Limited ⁽¹⁾	Interest in controlled corporation	Long Position	39,704,030	10.03%
PCCW Limited ⁽¹⁾⁽⁴⁾	Interest in controlled corporation	Long Position	39,704,030	10.03%
Pacven Walden Management II, L.P. ⁽²⁾	Interest in controlled corporation	Long Position	32,458,590	8.20%
Pacven Walden Ventures IV, L.P. ⁽²⁾	Beneficial interest	Long Position	32,458,590	8.20%
Stonepath Group, Inc. ⁽³⁾	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 30 June 2022, 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.

OTHER INFORMATION

- (4) As at 30 June 2022, the following Directors were directors/employees of a company who had an interest in the Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:
- (a) Mr. HUI Yat Yan Henry served as senior vice president of the business development unit of PCCW and served as a director in a number of subsidiaries in the PCCW Group and HKT Limited.
 - (b) Mr. POON Chi Ho held a number of positions within the PCCW Group, including as director in a number of subsidiaries in both the PCCW Group and the HKT Group.

Save as disclosed above, as of 30 June 2022, 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.

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

Movements of the share options under the 2005 Share Option Scheme during the Reporting Period are as follows:

Name of category/participant	Outstanding as at 1 January 2022 (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 2022 (Unaudited)	Date of grant	Vesting period	Exercise period	Exercise price per option US\$
Director Lau Kwok Chu	10,000	-	-	-	-	10,000	25 July 2013	25 July 2013 to 25 July 2017	25 July 2014 to 25 July 2023	US\$0.5

The default vesting schedule of the 2005 Share Option Scheme 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.

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.

OTHER INFORMATION

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

Movements of the share options under the 2016 Share Option Scheme during the Reporting Period are as follows:

Name of category/ participant	Outstanding as at 1 January 2022 (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 2022 (Unaudited)	Date of grant	Vesting period	Exercise period	Exercise price per option US\$
Directors										
Lau Kwok Chu	180,000	-	-	-	-	180,000	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US\$0.8
	180,000	-	-	-	-	180,000	15 August 2019	15 August 2019 to 15 August 2023	15 August 2020 to 15 August 2029	US\$1.55
Chu Lai King	60,000	-	-	-	-	60,000	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US\$0.8
Subtotal	420,000	-	-	-	-	420,000				
Associate of Director										
Chu Pui King (Sister of Chu Lai King)	3,000	-	-	-	-	3,000	23 April 2020	23 April 2020 to 23 April 2024	23 April 2021 to 23 April 2030	US\$2.01
Subtotal	3,000	-	-	-	-	3,000				
Other Employees*										
2 grantees	2,451	-	-	-	-	2,451	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US\$0.80
1 grantee	625	-	-	-	-	625	27 April 2017	27 April 2017 to 27 April 2021	27 April 2018 to 27 April 2027	US\$0.80
1 grantee	1,250	-	-	-	-	1,250	10 August 2017	10 August 2017 to 10 August 2021	10 August 2018 to 10 August 2027	US\$0.80
15 grantees	50,988	-	-	-	-	50,988	27 April 2018	27 April 2018 to 27 April 2022	27 April 2019 to 27 April 2028	US\$1.20
7 grantees	69,375	-	(2,500) ⁽¹⁾	-	-	66,875	26 July 2018	26 July 2018 to 26 July 2022	26 July 2019 to 26 July 2028	US\$1.20
8 grantees	88,175	-	(3,100) ⁽¹⁾	(1,900)	-	83,175	24 January 2019	24 January 2019 to 24 January 2023	24 January 2020 to 24 January 2029	US\$1.20
27 grantees	74,567	-	-	-	-	74,567	25 April 2019	25 April 2019 to 25 April 2023	25 April 2020 to 25 April 2029	US\$1.55
5 grantees	39,250	-	-	(6,250)	-	33,000	15 August 2019	15 August 2019 to 15 August 2023	15 August 2020 to 15 August 2029	US\$1.55
12 grantees	178,200	-	-	(7,500)	-	170,700	6 February 2020	6 February 2020 to 6 February 2024	6 February 2021 to 6 February 2030	US\$1.55

OTHER INFORMATION

Name of category/ participant	Outstanding as at 1 January 2022 (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 2022 (Unaudited)	Date of grant	Vesting period	Exercise period	Exercise price per option US\$
47 grantees	262,000	-	-	(2,000)	-	260,000	23 April 2020	23 April 2020 to 23 April 2024	23 April 2021 to 23 April 2030	US\$2.01
3 grantees	50,000	-	-	-	-	50,000	30 July 2020	30 July 2020 to 30 July 2024	30 July 2021 to 30 July 2030	US\$2.01
15 grantees	240,000	-	-	-	-	240,000	29 October 2020	29 October 2020 to 29 October 2024	29 October 2021 to 29 October 2030	US\$2.01
12 grantees	140,000	-	-	-	-	140,000	28 January 2021	28 January 2021 to 28 January 2025	28 January 2022 to 28 January 2031	US\$2.01
Nil grantee	100,000	-	-	(100,000)	-	-	25 February 2021	25 February 2021 to 25 February 2025	25 February 2022 to 25 February 2031	US\$2.01
77 grantees	593,000	-	-	(81,000)	-	512,000	29 April 2021	29 April 2021 to 29 April 2025	29 April 2022 to 29 April 2031	US\$2.01
Subtotal	1,889,881	-	(5,600)	(198,650)	-	1,685,631				
Total	2,312,881	-	(5,600)	(198,650)	-	2,108,631				

* Represents number of grantees as at 30 June 2022.

The default vesting schedule of the 2016 Share Option Scheme is as follows: (i) 25% of all the options granted will become vested on the first anniversary of 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.

The total proceed of US\$ 6,720 received from exercised share options under 2016 Share Option Scheme during the Reporting Period was used for general working capital of the Company.

Note:

- (1) During the six months ended 30 June 2022, the number of exercised options under the 2016 Share Option Scheme was 5,600. The weighted average closing prices of Shares immediately before 8 February 2022 (the exercise date of 2,500 Share options), 22 March 2022 (the exercise date of 2,500 Share options), 3 May 2022 (the exercise date of 100 Share options) and 17 May 2022 (the exercise date of 500 Share options) were HK\$1.41, HK\$1.16, HK\$1.13 and HK\$1.12 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 option 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). There was no option granted under such circumstances during the Reporting Period.

OTHER INFORMATION

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).

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. There was no option granted under such circumstances during the Reporting Period.

OTHER INFORMATION

During the Reporting Period, 237,500 options carrying rights to subscribe for a maximum of an aggregate of 2,375,000 Shares have been granted by the Company under the Post-IPO Share Option Scheme. Movements of the share options under the Post-IPO Share Option Scheme during the Reporting Period are as follows:

Name of category/ participant	Outstanding as at 1 January 2022 (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 2022 (Unaudited)	Date of grant	Vesting period	Exercise period	Exercise price per option HK\$
Employees*										
4 grantees	55,000	-	-	(15,000)	-	40,000	30 August 2021	30 August 2021 to 29 August 2025	30 August 2022 to 29 August 2031	HK\$24.48
3 grantees	15,000	-	-	-	-	15,000	29 October 2021	29 October 2021 to 28 October 2025	29 October 2022 to 28 October 2031	HK\$14.28
67 grantees	-	237,500 ⁽¹⁾	-	(1,000)	-	236,500	21 April 2022	21 April 2022 to 20 April 2026	21 April 2023 to 20 April 2032	HK\$11.6
Total	70,000	237,500	-	(16,000)	-	291,500				

* Represents number of grantees as at 30 June 2022.

The default vesting schedule of the Post-IPO Share Option Schemes is as follows: (i) 25% of all the options granted will become vested on the first anniversary of 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. The Post-IPO Share Option Scheme does not demand payment on application or acceptance of the option.

Notes:

- (1) During the six months ended 30 June 2022, 237,500 options were granted under Post-IPO Share Option Scheme at nil consideration on 21 April 2022 and the total estimated fair value of these options on the date of grant was US\$127,000. Please refer the Note 19 to the Interim Condensed Consolidated Financial Statement for the accounting policy adopted for share options. The Share closing price immediately before the date of grant of the aforementioned 237,500 options was HK\$1.16.

MATERIAL LITIGATION

During the Reporting Period, 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 2022 have not been audited by the auditors of the Company but have been reviewed by the Audit Committee.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, 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 code provision stated in the Corporate Governance Code in Appendix 14 to the Listing Rules (the "Corporate Governance Code") during the Reporting Period. As of the 30 June 2022 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 code provisions of the Corporate Governance Code during the Reporting Period.

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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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.

Specific enquiries have been made with all Directors and all of them confirmed their compliance with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Reporting Period.

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 2022, 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\$280,000 (six months ended 30 June 2021: US\$568,000).

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in Note 23 of the Interim Condensed Consolidated Financial Information, there is no significant event that requires additional disclosures or might affect the Group after the Reporting Period.

USE OF PROCEEDS FROM LISTING

The shares of the Company were listed on the Stock Exchange on 9 July 2021. 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. During the six months ended 30 June 2022, the Company utilized the proceeds in accordance with the intended purpose and followed the expected implementation timetable as disclosed under section headed “Future Plans and Use of Proceeds” of the Prospectus. The balance of the net proceeds from the Global Offering will continue to be utilized according to the manner and proportions as disclosed in the Prospectus. A summary of the use of proceeds is set out below:

Use of proceeds	Planned use	Net proceeds from the Company's listing (in HK\$ millions)			Expected timeline for full utilisation of the unutilised proceeds
		Net proceeds		Net proceeds unutilised as at 30 June 2022	
		Net proceeds unutilised as at 1 January 2022	Net proceeds utilised during the Reporting Period		
1. Increase our marketing efforts for customer acquisition and retention	49.9	36.3	13.8	22.5	By the end of 2023 ⁽¹⁾
2. Enhance our platform content and IT capabilities and create satisfactory user experience to promote benefits and uniqueness of Korean beauty and fashion products	18.5	15.6	2.9	12.7	By the end of first quarter of 2023
3. Expand our logistics fulfillment capacity and enhance our warehouse efficiency	14.9	14.8	1.8	13.0	By the end of first quarter of 2023
4. General working capital	9.0	–	–	–	
Total	92.3	66.7	18.5	48.2	

Note:

- Marketing expenses during the Reporting Period decreased as compared to the Prior Period as a result of the enhanced cost control measures implemented by the Group. The Group expects that the utilisation plan of 1 above will be behind the original schedule, with the expected timeline for full utilisation adjusted from the end of first quarter of 2023 to end of 2023.

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

DIRECTORS' INFORMATION

Save for the appointment of Mr. Chu Kin Hang as a new Director and retirement of Ms. Wong Shuet Ha as a Director on 23 June 2022, the Company has not been advised by its Directors of any change in the information required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since its last update to Shareholders.

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 2022

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

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
REVENUE	4	62,905	88,368
Cost of sales		(41,127)	(57,568)
Gross profit		21,778	30,800
Other income and other gains and losses	5	582	353
Selling expenses		(9,074)	(13,315)
Administrative expenses		(15,147)	(16,644)
Reversal of impairment losses for trade receivables		3	6
Fair value loss on financial assets at fair value through profit or loss ("FVTPL")		(144)	(2)
(LOSS)/PROFIT FROM OPERATIONS		(2,002)	1,198
Finance costs		(225)	(205)
(Loss)/profit before tax		(2,227)	993
Income tax expense	7	(37)	(478)
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	8	(2,264)	515
OTHER COMPREHENSIVE INCOME:			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(103)	(50)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(103)	(50)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		(2,367)	465
(LOSS)/EARNING PER SHARE	9		
Basic (US cents per share)		(0.57)	0.31
Diluted (US cents per share)		(0.57)	0.14

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	As at 30 June 2022 (Unaudited) US\$000	As at 31 December 2021 (Audited) US\$000
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,050	2,732
Right-of-use assets	12	21,471	11,945
Financial assets at FVTPL		2,112	2,242
Prepayments, deposit and other receivables	14	1,635	763
Total non-current assets		27,268	17,682
CURRENT ASSETS			
Inventories		8,636	7,593
Trade receivables	13	1,385	1,821
Prepayments, deposits and other receivables	14	6,587	3,919
Current tax assets		529	404
Pledged bank deposits		3,155	2,003
Bank and cash balances		26,501	36,465
Total current assets		46,793	52,205
CURRENT LIABILITIES			
Trade and other payables and accruals	15	10,360	9,668
Contract liabilities	16	6,981	9,303
Provisions		935	875
Lease liabilities	17	5,780	3,626
Current tax liabilities		600	608
Total current liabilities		24,656	24,080
NET CURRENT ASSETS		22,137	28,125
TOTAL ASSETS LESS CURRENT LIABILITIES		49,405	45,807
NON-CURRENT LIABILITIES			
Provisions		530	388
Lease liabilities	17	16,988	9,132
Total non-current liabilities		17,518	9,520
NET ASSETS		31,887	36,287
CAPITAL AND RESERVES			
Share capital	18	20,494	20,482
Reserves		11,393	15,805
TOTAL EQUITY		31,887	36,287

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	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
At 1 January 2022 (Audited)	20,482	2,351	14,342	2,271	(30)	(3,129)	36,287
Total comprehensive loss for the period	-	-	-	-	(103)	(2,264)	(2,367)
Issue of shares under share option scheme	12	(5)	-	-	-	-	7
Recognition of share-based payments	-	515	-	-	-	-	515
Dividend paid	-	-	-	-	-	(2,555)	(2,555)
Changes in equity for the period	12	510	-	-	(103)	(4,819)	(4,400)
At 30 June 2022 (Unaudited)	20,494	2,861	14,342	2,271	(133)	(7,948)	31,887

	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
At 1 January 2021 (Audited)	2,310	1,898	14,342	2,271	142	1,491	22,454
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
At 30 June 2021 (Unaudited)	4,581	1,634	14,342	2,271	92	2,006	24,926

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
NET CASH USED IN OPERATING ACTIVITIES	(6,521)	(3,988)
Decrease in non-pledged bank deposits	2,190	8
Interest received	59	5
Purchases of property, plant and equipment	(76)	(1,104)
Proceed from disposals of right-of-use assets	–	18
Dividend received from listed securities	30	–
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	2,203	(1,073)
Repayment of bank borrowings	–	(493)
Principal elements of lease payments	(2,202)	(1,930)
Proceeds from issuance of shares	7	1,419
(Increase)/decrease in pledged bank deposits	(1,152)	442
NET CASH USED IN FINANCING ACTIVITIES	(3,347)	(562)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,665)	(5,623)
Effect of foreign exchange rate changes	(85)	(68)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	29,063	28,264
CASH AND CASH EQUIVALENT AT END OF PERIOD	21,313	22,573
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	26,501	22,785
Less: Bank deposits with original maturity beyond three months	(5,169)	(195)
Restricted bank balances	(19)	(17)
	21,313	22,573

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

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.

The financial information relating to the year ended 31 December 2021 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2022 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those 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 financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. 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).

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 2022 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 annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs").

The preparation of interim condensed financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The accounting policies applied in the preparation of the unaudited interim condensed financial information is consistent with those applied to the consolidated financial statements for the year ended 31 December 2021.

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 2022 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 2022 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

3 FAIR VALUE MEASUREMENTS

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.

Disclosures of level in fair value hierarchy:

Description	Fair value measurements as at 30 June 2022			
	Level 1 US\$'000 (Unaudited)	Level 2 US\$'000 (Unaudited)	Level 3 US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
Recurring fair value measurements:				
Financial assets at FVTPL				
Investment in a life insurance policy	–	820	–	820
An equity security listed in Hong Kong	1,292	–	–	1,292
	1,292	820	–	2,112

Description	Fair value measurements as at 31 December 2021			
	Level 1 US\$'000 (Audited)	Level 2 US\$'000 (Audited)	Level 3 US\$'000 (Audited)	Total US\$'000 (Audited)
Recurring fair value measurements:				
Financial assets at FVTPL				
Investment in a life insurance policy	–	808	–	808
An equity security listed in Hong Kong	1,434	–	–	1,434
	1,434	808	–	2,242

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

As at 30 June 2022, the fair value loss of such investment was approximately US\$0.1 million due to the decrease in share price in CN Logistics (before taking into account of dividend of approximately US\$30,000 received during the Reporting Period). In view of the expected positive impact to the business of both CN Logistics and the Group through the strategic logistics partnership, the investment in CN Logistics is expected to be strategic and 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

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	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
Sales of merchandise, recognised at point in time	55,566	80,689
Shipping revenue recognised over time	7,013	7,678
Consignment sales recognised at point of time	1	1
Logistic and warehouse services, recognised at point in time	325	–
	62,905	88,368

5 OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
Cash rebate income	65	294
Marketing program Income	5	–
Dividend income from listed equity security	30	–
Gains on disposals of property, plant and equipment	–	13
Gains on remeasurement upon lease modification	–	8
Government subsidies income	421	5
Interest income from:		
Bank deposits	45	5
Financial assets at FVTPL	14	13
	59	18
Sundry income	2	15
	582	353

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

6 SEGMENT INFORMATION

Information about reportable segment profit or loss:

Six months ended 30 June 2022	Fashion & lifestyle and beauty (Unaudited) US\$'000	Entertainment products (Unaudited) US\$'000	Logistics services (Unaudited) US\$'000	Unallocated (Unaudited) US\$'000	Total (Unaudited) US\$'000
Revenue from external customers	58,320	4,260	325	–	62,905
Segment results	721	27	79	(3,091)	(2,264)

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

Reconciliations of segment profit or loss:

	Six months ended 30 June	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
Revenue		
Total revenue of reportable segments	62,905	88,368
Segment results		
Total segment results of reportable segments	827	5,533
Unallocated amounts:		
Unallocated income	576	353
Unallocated corporate expenses	(3,667)	(5,371)
(Loss)/profit for the year attributable to the owners of the Company	(2,264)	515

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	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
United States	31,465	38,443
European countries		
France	3,442	7,819
Germany	3,305	6,835
Spain	850	2,347
Italy	792	1,989
Netherlands	798	1,774
Other EU Countries (<i>Note 1</i>)	2,506	6,075
	11,693	26,839
Australia	4,329	5,768
United Kingdom	3,917	5,299
Canada	3,288	4,527
Hong Kong	3,736	1,655
Japan	554	1,061
Others (<i>Note 2</i>)	3,923	4,776
Consolidated Total	62,905	88,368

Note 1: Other EU countries include sales to EU countries that individually contributed insignificant portion of our total revenue for the six months ended 30 June 2022 and 2021.

Note 2: Others include sales to countries individually contributed insignificant portion of our total revenue for the six months ended 30 June 2022 and 2021.

99.1% and 98.4% of the Group's non-current assets are located in Hong Kong as at 30 June 2022 and 2021 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 2022 and 2021 respectively.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
Current tax		
– Hong Kong Profits Tax	20	423
– Overseas Corporate Income Tax	17	55
Deferred tax	–	–
	37	478

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2 million of assessable profits for the six months ended 30 June 2022 and 2021 of qualifying corporations established in Hong Kong was 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 2021: 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.

8 (LOSS)/PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
Auditor's remuneration	77	77
Cost of inventories sold	24,907	33,895
Depreciation		
– Property, plant and equipment	757	636
– Right-of-use assets	2,687	2,206
	3,444	2,842
Employee benefits expenses (including directors' emoluments)	11,504	12,133
Foreign exchange losses, net	275	848
Listing expenses	–	1,303
Expenses relating to short-term lease		
– leased properties	151	133
– leased equipment	19	19
	170	152
Allowance for inventories, net (included in cost of inventories sold)	350	23

9 (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share is based on the following:

	Six months ended 30 June	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
(Loss)/earnings		
(Loss)/profit for the year attributable to owners of the Company	(2,264)	515
	(Unaudited) '000	(Unaudited) '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share (<i>Note</i>)	395,941	166,529
Effect of dilutive potential ordinary shares arising from share options issued by the Company	1,664	20,879
Effect of dilutive potential ordinary shares arising from convertible preferred shares	–	175,985
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share (<i>Note</i>)	397,605	363,393

The effects of potential ordinary shares are anti-dilutive for the six months ended 30 June 2022 and 2021.

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.

10 DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: HK5.0 cents per share).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired property, plant and equipment of approximately US\$76,000 (six months ended 30 June 2021: US\$1,104,000).

12 RIGHT-OF USE ASSETS

During the six months ended 30 June 2022, the Group entered into a new lease agreement for warehouses for 4 years. The Group will make fixed payments during the contract period. On lease commencement, the Group recognised approximately US\$12,077,000 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, certain offline wholesales and logistic service income 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, offline wholesale customers and provision of logistic service income. No default of settlement is expected by reference to past experience.

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

	As at 30 June 2022 (Unaudited) US\$'000	As at 31 December 2021 (Audited) US\$'000
0 to 30 days	1,342	1,793
31 to 60 days	36	9
61 to 90 days	1	12
over 90 days	6	7
	1,385	1,821

* Revenue from E-commerce sales transactions is recognised on a trade date basis when the relevant transactions are executed. Revenue from offline wholesale is recognised when control of the products has transferred, being when the products are delivered. Logistics and other service revenue are recognised over time when the services are performed.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2022 (Unaudited) US\$'000	As at 31 December 2021 (Audited) US\$'000
Prepayments		
Prepayment to suppliers	998	1,428
Prepaid rental	477	31
Prepaid administrative and selling expenses	2,926	638
	4,401	2,097
Deposits		
Rental deposits	2,231	1,340
Trade deposits	235	248
Utilities deposits	226	160
Other deposits	13	–
	2,705	1,748
Other receivables		
Export tax refundable	629	555
Others	487	282
	1,116	837
	8,222	4,682
Analysed as:		
Current assets	6,587	3,919
Non-current assets	1,635	763
	8,222	4,682

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

15 TRADE AND OTHER PAYABLES AND ACCRUALS

	As at 30 June 2022 (Unaudited) US\$'000	As at 31 December 2021 (Audited) US\$'000
Trade payables	4,087	5,329
Other payables		
Indirect tax payables	2,427	2,610
Dividend payables	2,722	168
	5,149	2,778
Accruals		
Accrued staff costs	158	313
Accrued selling expenses	504	659
Accrued administrative expenses	462	589
	1,124	1,561
	10,360	9,668

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

	As at 30 June 2022 (Unaudited) US\$'000	As at 31 December 2021 (Audited) US\$'000
0 to 30 days	3,871	5,083
31 to 60 days	209	226
61 to 90 days	5	4
Over 90 days	2	16
	4,087	5,329

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 2022 (Unaudited) US\$'000	As at 31 December 2021 (Audited) US\$'000
Advance payments from customers	6,403	8,410
Deferred revenue for customer loyalty programme	578	893
	6,981	9,303

Contract liabilities in respect of advance payments from customers mainly involve the sales of merchandise and shipping revenue.

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

During the Reporting Period, the contract liabilities decreased by approximately US\$2.3 million or 25.0% to approximately US\$7.0 million (six months ended 30 June 2021: US\$9.3 million), mainly due to lowered deferred revenue recognised as a result of the lower sales revenue recorded during the Reporting Period as compared to that in the Prior Period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

17 LEASE LIABILITIES

	As at 30 June 2022 (Unaudited) US\$'000	As at 31 December 2021 (Audited) US\$'000
Leased properties	22,496	12,442
Office equipment	272	316
	22,768	12,758
	As at 30 June 2022 (Unaudited) US\$'000	As at 31 December 2021 (Audited) US\$'000
Within one year	5,780	3,626
In the second year	6,572	3,232
In the third to fifth years, inclusive	10,416	5,900
Over five years	–	–
Present value of lease obligations	22,768	12,758
Less: Amount due for settlement within 12 months (shown under current liabilities)	(5,780)	(3,626)
Amount due for settlement after 12 months	16,988	9,132

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

18 SHARE CAPITAL

	Ordinary shares		Series A preferred shares		Series B preferred shares		Series C preferred shares		Total amount US\$'000
	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000	Number of shares	Amount US\$'000	
Issued and fully paid:									
At 1 January 2021 (Audited)	16,433,757	358	1,048,405	11	5,164,737	52	3,381,629	1,889	2,310
Effect of Share Split	161,878,977	-	9,435,645	-	46,482,633	-	30,434,661	-	-
Issuance of ordinary shares under the Share Offer	39,540,000	15,699	-	-	-	-	-	-	15,699
Issuance of ordinary shares under the over-allotment option	409,000	162	-	-	-	-	-	-	162
Issue of shares under Share Option Schemes	1,658,916	2,311	-	-	-	-	-	-	2,311
Conversion of convertible preferred shares to ordinary shares upon the Listing at the different conversion rates	175,985,260	1,952	(10,484,050)	(11)	(51,647,370)	(52)	(33,816,290)	(1,889)	-
At 31 December 2021 and 1 January 2022 (Audited)	395,905,910	20,482	-	-	-	-	-	-	20,482
Issue of shares under Share Option Schemes	56,000	12	-	-	-	-	-	-	12
At 30 June 2022 (Unaudited)	395,961,910	20,494	-	-	-	-	-	-	20,494

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

19 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 2022 and 31 December 2021, 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 as at 30 June 2022	No. of outstanding options under the 2005 Share Option Scheme as at 31 December 2021
Director	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
Total for 2005 Share Option Scheme						10,000	10,000

Note:

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

19 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 2022 and 31 December 2021, 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 as at 30 June 2022	No. of outstanding options under the 2016 Share Option Scheme as at 31 December 2021
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
Associate of Director	23 April 2020	23 April 2030	23 April 2020 to 23 April 2024	23 April 2021 to 23 April 2030	2.01	3,000	3,000
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	2,451
	27 April 2017	27 April 2027	27 April 2017 to 27 April 2021	27 April 2018 to 27 April 2027	0.80	625	625
	10 August 2017	10 August 2027	10 August 2017 to 10 August 2021	10 August 2018 to 10 August 2027	0.80	1,250	1,250
	27 April 2018	27 April 2028	27 April 2018 to 27 April 2022	27 April 2019 to 27 April 2028	1.20	50,988	50,988
	26 July 2018	26 July 2028	26 July 2018 to 26 July 2022	26 July 2019 to 26 July 2028	1.20	66,875	69,375
	24 January 2019	24 January 2029	24 January 2019 to 24 January 2023	24 January 2020 to 24 January 2029	1.20	83,175	88,175
	25 April 2019	25 April 2029	25 April 2019 to 25 April 2023	25 April 2020 to 25 April 2029	1.55	74,567	74,567
	15 August 2019	15 August 2029	15 August 2019 to 15 August 2023	15 August 2020 to 15 August 2029	1.55	33,000	39,250
	6 February 2020	6 February 2030	6 February 2020 to 6 February 2024	6 February 2021 to 6 February 2030	1.55	170,700	178,200
	23 April 2020	23 April 2030	23 April 2020 to 23 April 2024	23 April 2021 to 23 April 2030	2.01	260,000	262,000
	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	140,000	140,000
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	512,000	593,000	
Total for 2016 Share Option Scheme						2,108,631	2,312,881

Note:

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

19 SHARE-BASED PAYMENTS (CONTINUED)

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 the Listing Date (the "Post-IPO Share Option Scheme"). The Post-IPO Share Option Scheme will expire on 13 March 2031. 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.

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 (equivalent 3,953,907 options), being the maximum 10% of the ordinary shares in issue on the Listing Date.

Details of the specific categories of options outstanding under the Post-IPO Share Option Scheme as at 30 June 2022 are as follows:

	Grant date	Expiry date	Vesting period	Exercise period	Exercise price per option US\$*	No. of outstanding options under the Post-IPO Share Option Scheme as at 30 June 2022	No. of outstanding options under the Post-IPO Share Option Scheme as at 31 December 2021
Employees	30 August 2021	29 August 2031	30 August 2021 to 29 August 2025	30 August 2022 to 29 August 2031	3.16	40,000	55,000
	29 October 2021	28 October 2031	29 October 2021 to 28 October 2025	29 October 2022 to 28 October 2031	1.84	15,000	15,000
	21 April 2022	20 April 2032	21 April 2022 to 20 April 2026	21 April 2023 to 20 April 2032	1.50	236,500	-
Total for Post-IPO Share Option Scheme						291,500	70,000

* Equivalent to the exercise price per option denominated in HK\$ of HK\$24.48, HK\$14.28 and HK\$11.6 respectively.

Note:

Following the announcement of Company dated on 30 August 2021, 29 October 2021 and 28 April 2022, each grantee shall receive 10 ordinary shares for each option under the Post-IPO Share Option Scheme exercised.

19 SHARE-BASED PAYMENTS (CONTINUED)

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

	30 June 2022		31 December 2021	
	Number of share options	Weighted average exercise price US\$	Number of share options	Weighted average exercise price US\$
Outstanding at 1 January	2,392,881	1.75	3,066,064	1.23
Granted during the period/year	237,500	1.50	975,000	2.08
Exercised during the period/year	(5,600)	1.32	(1,563,408)	0.92
Forfeited during the period/year	(214,650)	1.59	(84,775)	1.96
Outstanding at end of period/year	2,410,131	1.69	2,392,881	1.75
Exercisable at end of period/year	1,105,756	1.49	655,523	1.20

The options outstanding at the end of the period/year have a weighted average remaining contractual life of 9.81 years as at 30 June 2022 (31 December 2021: 8.09 years).

For the six months ended 30 June 2022, 237,500 options were granted under Post-IPO Share Option Scheme on 21 April 2022 and the total estimated fair value of these options on the date of grant was US\$127,000.

For the six months ended 30 June 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 dates of grant was US\$2,019,100. Moreover, 55,000 and 15,000 options were granted under Post-IPO Share Option Scheme on 30 August 2021 and 29 October 2021 respectively and total estimated fair value of these options on the dates of grant was US\$2,023,000.

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.

During the six months ended 30 June 2022, the number of exercised options under the 2016 Share Option Scheme was 5,600. The weighted closing prices of Shares immediately before 8 February 2022 (the exercise date of 2,500 Share options), 22 March 2022 (the exercise date of 2,500 Share options), 3 May 2022 (the exercise date of 100 Share options) and 17 May 2022 (the exercise date of 500 Share options) were HK\$1.41, HK\$1.16, HK\$1.13 and HK\$1.12 respectively.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

19 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 2022

	Share option granted on 21 April 2022
Stock Price ⁽¹⁾	US\$0.15*
Exercise price per option ⁽²⁾	US\$1.500
Expected volatility	50.08%
Expected life	10 years
Risk free rate	2.71%
Expected dividend yield	4.31%
Vesting period	21 April 2022 to 20 April 2026
Exercise period	21 April 2023 to 20 April 2032

Notes:

- (1) Equivalent to the stock price denominated in HK\$ of HK\$1.16 on the date of option grant.
 (2) One option represents 10 shares.

For the year ended 31 December 2021

	Share options granted on				
	28 January 2021	25 February 2021	29 April 2021	30 August 2021	29 October 2021
Stock Price	US\$3.110 ^(#)	US\$3.290 ^(#)	US\$3.480 ^(#)	US\$0.265 ^(*)	US\$0.184 ^(*)
Exercise price per option	US\$2.010	US\$2.010	US\$2.010	US\$3.160	US\$1.840
Expected volatility	51.14%	51.19%	50.76%	50.06%	50.03%
Expected life	10 years	10 years	10 years	10 years	10 years
Risk free rate	0.63%	1.19%	1.15%	0.86%	1.37%
Expected dividend yield	0%	0%	0%	2.43%	3.52%
Vesting period	28 January 2021 to 28 January 2025	25 February 2021 to 25 February 2025	29 April 2021 to 29 April 2025	30 August 2021 to 29 August 2025	29 October 2021 to 28 October 2025
Exercise period	28 January 2022 to 28 January 2031	25 February 2022 to 25 February 2031	29 April 2022 to 29 April 2031	30 August 2022 to 29 August 2031	29 October 2022 to 28 October 2031

^(#) Represent the stock price before the Share Split.

^(*) Equivalent to the stock price denominated in HK\$ of HK\$2.16 and HK\$1.4 respectively.

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. Expected dividend yield is based on historical dividends paid to the shareholders of the Company.

19 SHARE-BASED PAYMENTS (CONTINUED)

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.

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 approximately US\$48,000 during the six months ended 30 June 2022 (six months ended 30 June 2021: Nil) for in respect of the Post-IPO Share Option Scheme.

The Group recorded total expenses of approximately US\$467,000 during the six months ended 30 June 2022 (six months ended 30 June 2021: US\$589,000) 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 2022 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022

20 RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2022 (Unaudited) US\$'000	2021 (Unaudited) US\$'000
Customer relationship management and contact centre service fees to HKT Teleservices International Limited ("HKT") (Note i)	(136)	(226)
Return merchandise authorisation service fee to Ms. Chu Po King (Note ii)	(1)	(1)
Freight forwarding services and logistics services fee to CN Logistics Limited (Note iii)	(1,339)	(22)
Logistics service fee to Cargo Services Far East Limited (Note iv)	(82)	–

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.
- (iii) CN Logistics Limited is a fellow subsidiary of a shareholder of the Company.
- (iv) Cargo Services Far East Limited is a fellow subsidiary of a shareholder of the Company.

21 CONTINGENT LIABILITIES

As at 30 June 2022 and 31 December 2021, contingent liabilities not provided for in the consolidated financial statements were as follows:

	30 June 2022 (Unaudited) US\$'000	31 December 2021 (Audited) US\$'000
Guarantees given to banks for		
– a payment gateway company	10	17
– a supplier located in Hong Kong	8	8
– a service provider under the import-one-stop-shop scheme	1,504	–
	1,522	25

21 CONTINGENT LIABILITIES (CONTINUED)

Under the guarantees, the Group has pledged its bank deposits of US\$1,691,000 (31 December 2021: US\$94,000) to the bank.

Apart from above, the Group does not have other material contingent liabilities at 30 June 2022 and 31 December 2021.

22 CAPITAL COMMITMENTS

	30 June 2022 (Unaudited) US\$'000	30 June 2021 (Unaudited) US\$'000
Contracted but not provided for:		
Property, plant and equipment	2,130	133

Note: As of 30 June 2022, approximately US\$332,000, US\$1,554,000 and US\$244,000 capital commitments were provided for the renovation and acquisitions of robots for the Smart Robotics Warehouse as well as other renovation and equipment purchases respectively.

23 EVENTS AFTER THE REPORTING PERIOD

- (a) Subsequent to the Reporting Period, the Group entered into a Renewal Offer Letter for the lease of head office in Hong Kong for four years. Upon the lease commencement, the Group will recognise a right-of-use asset with an unaudited value of approximately HK\$42.7 (approximately US\$5.5 million). Details are set out in announcement of the Company dated on 29 July 2022.
- (b) Subsequent to the Reporting Period, the Group 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. Details are set out in announcement of the Company dated 11 August 2022.

24 APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the Board of Directors on 26 August 2022.

DEFINITIONS AND GLOSSARY

“2021 HKT Agreement”	a service agreement entered into on 18 October 2021 between the Company and HKT
“ <i>AsianBeautyWholesale</i> ”	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</i> Holdings Limited (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
“Compliance Advisor”	UOB Kay Hian (Hong Kong) Limited
“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
“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, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2130))
“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
“HKT” or “HKT Limited”	HKT Teleservices International Limited, a company incorporated in Hong Kong with limited liability

DEFINITIONS AND GLOSSARY

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Landlord”	Golden Master Holdings Limited (金寶集團有限公司), a company incorporated in Hong Kong with limited liability, whose sole ultimate beneficial owner is Mr. Li Sau Hung, Eddy
“Listing”	the listing of the Shares on the Main Board 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
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“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
“PCCW Group”	PCCW Limited, together with its subsidiaries
“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
“Prior Period”	the six months ended 30 June 2021
“Prospectus”	prospectus of the Company dated 28 June 2021

DEFINITIONS AND GLOSSARY

“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
“Renewal Offer Letter”	the renewal offer letter entered into between YesAsia.com (as tenant) and the Landlord (as landlord) on 29 July 2022 for the renewal of the lease of the Premises
“Reporting Period”	the six months ended 30 June 2022
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Registrar”	Computershare Hong Kong Investor Services Limited
“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(s)”	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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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”	www.YesAsia.com
“YesStyle”	www.YesStyle.com