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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)

**DISCLOSEABLE TRANSACTION
IN RESPECT OF THE LEASE OF
WAREHOUSE PREMISES**

LEASE DOCUMENTS

The Board is pleased to announce that on 31 January 2022, YAL, a wholly-owned subsidiary of the Company, as tenant entered into the Lease Documents with the Landlord to lease the Premises from the Landlord for a term of four years from 1 May 2022 to 30 April 2026 (both days inclusive).

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16, the Group will be required to recognise the value of the right-of-use asset in connection with the Lease in the consolidated statement of financial position. Accordingly, the transaction contemplated under the Lease will be regarded as an acquisition of assets by the Group for the purpose of Rule 14.04(1)(a) of the Listing Rules.

As the highest applicable percentage ratio (as defined in Chapter 14 of the Listing Rules) calculated based on the value of the right-of-use asset to be recognised by the Company according to HKFRS 16 exceeds 5% but is less than 25%, the transaction contemplated under the Lease constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements but exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

LEASE DOCUMENTS

The Board is pleased to announce that on 31 January 2022, YAL, a wholly-owned subsidiary of the Company, as tenant entered into the Lease Documents with the Landlord to lease the Premises from the Landlord for a term of four years from 1 May 2022 to 30 April 2026 (both days inclusive). The Lease Documents constitutes valid and binding agreements between YAL and the Landlord for the letting of the Premises on the terms and conditions as set out in the Lease Documents.

The principal terms of the Lease are summarised as follows:

- Date : 31 January 2022
- Parties : (1) Landlord (as landlord); and
(2) YAL (as tenant).
- Premises : 13th Floor, Goodman Interlink, 39 Tsing Yi Road, Tsing Yi, New Territories, Hong Kong.
- Lease term : A term of four years commencing on 1 May 2022 and expiring on 30 April 2026 (both days inclusive).
- Permitted use : Godown and ancillary accommodation for non-domestic use.
- Option terms : The Landlord shall grant to YAL two options, exercisable at the sole discretion of YAL, to renew the Lease for two further consecutive terms of 3 years each. The rent for the first option term and the second option term shall be reviewed to the open market rent.
- Rent : The rent payable for the Premises (exclusive of management charges, rates and other outgoings, which are separately payable by YAL) during the Lease term is as follows:
- HK\$2,200,400.00 per month from 1 May 2022 to 30 April 2025 (both days inclusive), during which there is a lease incentive of rent-free period of four (4) months; and
 - HK\$2,269,162.50 per month from 1 May 2025 to 30 April 2026 (both days inclusive).

The aggregate amount of rent payable (exclusive of management charges, rates and other outgoings, which are separately payable by YAL) under the Lease will be HK\$97,642,750.00 and will be financed by internal resources of the Group.

Deposit and Guarantee : Upon signing the Lease, a cash deposit in the sum of HK\$7,694,126.25 has been provided by YAL and the Company has provided a corporate guarantee in favour of the Landlord for the due and punctual performance of the obligations on the part of YAL contained in the Lease Documents during the Lease term.

Pursuant to the Side Letter, YAL has paid a holding deposit of HK\$2,811,988.75 to the Landlord which will be used as first and subsequent payment of rent and/or management charge and/or rates and government rent and/or any other charges payable from time to time under the Lease.

Pursuant to the Licence Agreement, the Landlord, as licensor, shall grant to YAL a non-exclusive licence to use and occupy the Licensed Area at a licence fee of HK\$1 for the Lease term.

INFORMATION OF THE GROUP AND THE LANDLORD

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

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Landlord is principally engaged in industrial property development and is a member under the control by the Goodman Group, a global property group listed on Australian Securities Exchange (stock code: GMG); (ii) the Landlord and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE DOCUMENTS

The Premises has gross area of approximately 137,525 square feet and will be used by the Group as its logistics hub and fulfillment centre in Hong Kong for the Group's online retailing and wholesales business.

The Group is currently leasing 7 properties as warehouses in various locations in Hong Kong. One of which will not be renewed upon expiry in February 2022 and the remaining leases will expire between July and September 2022. Upon expiry, the Group will consolidate them into the Premises. The Directors are of the view that it is in the interests of the Group to enter into the Lease Documents having considered that (i) the consolidation of the Group's logistics and fulfilment operations on the Premises can improve operation efficiency; (ii) the good conditions of the Premises can facilitate the Group's plan to establish smart warehousing with robotics and automation technology; and (iii) the Lease can increase the Group's fulfillment capacities to cope with future growth of online business.

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Landlord”	Goodman Interlink Limited, a company incorporated in the Cayman Islands with limited liability
“Lease”	the lease entered into between YAL (as tenant) and the Landlord (as landlord) on 31 January 2022 for the lease of the Premises
“Lease Documents”	the Lease, the Side Letter and the Licence Agreement
“Licence Agreement”	the occupation licence agreement entered into between YAL (as licensee) and the Landlord (as licensor) on 31 January 2022 ancillary to the Lease and the Side Letter in respect of the Licensed Area
“Licensed Area”	all those driveway and loading and unloading areas on 13th Floor of Goodman Interlink located at 39 Tsing Yi Road, Tsing Yi, New Territories, Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Premises”	13th Floor, Goodman Interlink, 39 Tsing Yi Road, Tsing Yi, New Territories, Hong Kong
“Shareholders”	holders of the shares in the issued share capital of the Company
“Side Letter”	The side letter entered into between YAL (as tenant) and the Landlord (as landlord) on 31 January 2022 in respect of the Lease

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed thereto under the Listing Rules, and “subsidiaries” shall be construed accordingly
“YAL”	YA Logistics Limited (喆麗物流有限公司) (formerly known as “Jet City Limited”), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 31 January 2022

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