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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The board (the “**Board**”) of directors (“**Directors**” and each a “**Director**”) of YesAsia Holdings Limited (the “**Company**”, “**we**” or “**us**”) is pleased to announce the consolidated annual results (“**Annual Results**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 (the “**Reporting Year**”) with the consolidated comparative figures for the year ended 31 December 2022 (the “**Prior Year**”).

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change
	2023	2022	
	US\$'000	US\$'000	(%)
Revenue	201,339	128,592	56.6
Gross profit	62,698	42,726	46.7
Gross profit margin ⁽¹⁾	31.1%	33.2%	(2.1 pp)
Profit/(loss) for the year	7,572	(6,782)	211.6
Proposed final dividend	HK5.0 cents	–	N/A

Note:

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

E-commerce Platforms⁽¹⁾	Year ended 31 December		
	2023	2022	2021
Number of E-commerce platforms customers ⁽²⁾	1,445,000	1,020,000	1,260,000
Average order size ⁽³⁾ (US\$)	\$80.5	\$77.0	\$73.6
Acquisition cost per new customer ⁽⁴⁾ (US\$)	\$10.3	\$12.2	\$11.0
Revenue generated by fashion and lifestyle products (US\$'000)	\$35,213	\$51,967	\$82,341
Revenue generated by beauty products (US\$'000)	\$162,230	\$69,568	\$73,155
Revenue generated by entertainment products on E-commerce platform (US\$'000)	\$2,718	\$5,308	\$5,295
Return rate (YesStyle)	0.7%	1.2%	1.1%
Return rate (AsianBeautyWholesale)	0.6%	0.3%	0.5%
Return rate (YesAsia)	0.1%	0.2%	0.2%

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 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 counted 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 incurred during the year divided by the number of new customer acquired across all E-commerce platforms of the Group during the same period. A new customer is a customer where first invoice of his/her/its first ever order has been issued within the reporting years. 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 years.

YesStyle Platforms	Year ended 31 December		
	2023	2022	2021
Number of <i>YesStyle</i> Mobile App downloads for the year (Includes <i>iOS</i> and <i>Android</i>)	4,043,000	1,103,000	1,497,000
Influencer Program expenses (US\$'000)	\$3,247	\$2,281	\$3,366
Revenue generated by the <i>YesStyle</i> Mobile App (US\$'000)	\$70,018	\$43,223	\$53,443
Revenue generated from influencers' referrals (US\$'000)	\$40,422	\$21,901	\$27,113

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	<i>Note</i>	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Revenue	4	201,339	128,592
Cost of sales		<u>(138,641)</u>	<u>(85,866)</u>
Gross profit		62,698	42,726
Other income and other gains and losses	5	83	973
Selling expenses		(23,908)	(19,044)
Administrative expenses		(29,577)	(30,682)
Reversal of impairment losses for trade receivables		<u>4</u>	<u>2</u>
Profit/(loss) from operations		9,300	(6,025)
Finance costs		<u>(1,218)</u>	<u>(990)</u>
Profit/(loss) before tax		8,082	(7,015)
Income tax (expense)/credit	7	<u>(510)</u>	<u>233</u>
Profit/(loss) for the year	8	<u>7,572</u>	<u>(6,782)</u>
Attributable to:			
Equity shareholders of the Company		7,573	(6,782)
Non-controlling interests		<u>(1)</u>	<u>–</u>
		<u>7,572</u>	<u>(6,782)</u>
Earnings/(loss) per share	10		
Basic and diluted (US cents per share)		<u>1.91</u>	<u>(1.71)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2023

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Profit/(loss) for the year	<u>7,572</u>	<u>(6,782)</u>
Other comprehensive income:		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>21</u>	<u>(36)</u>
Other comprehensive income for the year, net of tax	<u>21</u>	<u>(36)</u>
Total comprehensive income for the year	<u>7,593</u>	<u>(6,818)</u>
Attributable to:		
Equity shareholders of the Company	7,594	(6,818)
Non-controlling interests	<u>(1)</u>	<u>–</u>
	<u>7,593</u>	<u>(6,818)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Note</i>	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Non-current assets			
Property, plant and equipment	<i>11</i>	4,320	5,267
Right-of-use assets		10,595	14,458
Financial assets at fair value through profit or loss ("FVTPL")		1,732	2,026
Prepayments, deposits and other receivables	<i>13</i>	1,623	1,698
Total non-current assets		18,270	23,449
Current assets			
Inventories		20,849	11,897
Trade receivables	<i>12</i>	4,678	2,148
Prepayments, deposits and other receivables	<i>13</i>	4,197	3,668
Current tax assets		53	584
Pledged bank fixed deposits		1,257	3,179
Bank and cash balances		25,181	18,797
Total current assets		56,215	40,273
Current liabilities			
Trade and other payables and accruals	<i>14</i>	12,606	9,647
Contract liabilities	<i>15</i>	12,735	9,391
Provisions		371	1,362
Lease liabilities	<i>16</i>	4,715	3,903
Current tax liabilities		434	78
Total current liabilities		30,861	24,381
Net current assets		25,354	15,892
Total assets less current liabilities		43,624	39,341

	<i>Note</i>	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Non-current liabilities			
Provisions		1,101	643
Lease liabilities	<i>16</i>	7,469	11,561
		<hr/>	<hr/>
Total non-current liabilities		8,570	12,204
		<hr/>	<hr/>
Net assets		35,054	27,137
		<hr/>	<hr/>
Capital and reserves			
Share capital		20,640	20,494
Reserves		14,415	6,643
		<hr/>	<hr/>
Equity attributable to shareholders of the Company		35,055	27,137
Non-controlling interests		(1)	–
		<hr/>	<hr/>
Total equity		35,054	27,137
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and with the requirements of the Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The figures and financial information relating to the years ended 31 December 2022 and 2023 included in the Annual Results do not constitute the Company’s statutory annual consolidated financial statements for those years but are derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap.622 of the laws of Hong Kong) (“**Companies Ordinance**”) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies, and will deliver the financial statements for the year ended 31 December 2023 to the Registrar of Companies in due course, as required by section 662(3) of, and Part 3 of Schedule 6 to the Companies Ordinance.

The Company’s auditor has reported on the consolidated financial statements for both years. The auditor’s reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports, and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. ADOPTION OF NEW AND REVISED HKFRSs

(a) Application of new and revised HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules – Amendments to HKAS 12
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) Revised HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to standards and interpretation that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company anticipate that the application of all amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

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 at 31 December 2023

Description	Fair value measurements using:			Total 2023 US\$'000
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	

Recurring fair value measurements:

Financial assets at FVTPL

Investment in a life insurance policy	–	869	–	869
An equity security listed in Hong Kong	863	–	–	863
	<u>863</u>	<u>869</u>	<u>–</u>	<u>1,732</u>

Description	Fair value measurements using:			Total 2022 US\$'000
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	

Recurring fair value measurements:

Financial assets at FVTPL

Investment in a life insurance policy	–	835	–	835
An equity security listed in Hong Kong	1,191	–	–	1,191
	<u>1,191</u>	<u>835</u>	<u>–</u>	<u>2,026</u>

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

4. REVENUE

- (a) Disaggregation of revenue from contracts with customers by major products or service lines for the year are as follows:

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
Sales of merchandise	177,765	112,684
Shipping revenue	22,394	14,968
Logistic income	1,178	938
Consignment sales	2	2
	<u>201,339</u>	<u>128,592</u>

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major products or service lines:

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Fashion & lifestyle and beauty products	197,443	121,535
Entertainment products	2,718	6,119
Unallocated	1,178	938
	<u>201,339</u>	<u>128,592</u>

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Timing of revenue recognition		
Products transferred at a point in time	177,767	112,686
Services transferred over time	23,572	15,906
	<u>201,339</u>	<u>128,592</u>

(b) Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Sales of merchandise recognised at point in time	8,632	5,205
Shipping revenue recognised over time	344	247
	8,976	5,452

Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as at 31 December 2023 and 2022 will be recognised as revenue in the subsequent one year.

5. OTHER INCOME AND OTHER GAINS AND LOSSES

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Cash rebates	64	126
Compensation income for early termination of service agreement	219	–
Gains on remeasurement upon lease modification	–	208
Fair value loss on financial assets at FVTPL	(294)	(216)
Property, plant and equipment written off	(101)	(86)
Government subsidy income (<i>Note</i>)	–	632
Interest income from bank deposits	155	165
Reversal of provision on reinstatement costs	8	81
Dividend income	18	48
Sundry income	14	15
	83	973

Note: For the year ended 31 December 2022, the amount mainly represented the subsidy income from the Employment Support Scheme launched by the Government of the Hong Kong Special Administrative Region (“**HKSAR**”). No such subsidy was provided by the HKSAR during the year ended 31 December 2023.

6. SEGMENT INFORMATION

Information reported to the Chief Executive Officer (“CEO”) of the Group, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performance focuses on types of goods delivered, or service provided. The CEO has chosen to organise the Group’s results according to the category of the business segment and differences in nature of the goods and services that each segment delivers.

The Group has two operating segments as follows:

Fashion & lifestyle and beauty products	–	Trading of fashion wears, lifestyle products and beauty products to consumer
Entertainment products	–	Trading of entertainment products to consumer

The Group’s other operating segments represent revenue from logistic and ancillary services. None of these segments meet any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the “unallocated” column.

No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

The accounting policies of the operating segments are the same as the Group’s accounting policies described in the consolidated financial statements. Segment results do not include unallocated administrative expenses, other income, other gains and losses and finance costs that are not directly attributable to segments and income tax expense.

Information about operating segment results

	Fashion & lifestyle and beauty products	Entertainment products	Unallocated	Total
	<i>US\$’000</i>	<i>US\$’000</i>	<i>US\$’000</i>	<i>US\$’000</i>
Year ended 31 December 2023				
Revenue from external customers	197,443	2,718	1,178	201,339
Segment results	13,756	(60)	(6,124)	7,572
Depreciation of property, plant and equipment	1,514	3	84	1,601
Depreciation of right-of-use assets	3,571	25	998	4,594
Reversal of impairment losses for trade receivables	(4)	–*	–	(4)
Write down of inventories, net	55	213	–	268

	Fashion & lifestyle and beauty products <i>US\$'000</i>	Entertainment products <i>US\$'000</i>	Unallocated <i>US\$'000</i>	Total <i>US\$'000</i>
Year ended 31 December 2022				
Revenue from external customers	121,535	6,119	938	128,592
Segment results	(1,330)	(314)	(5,138)	(6,782)
Depreciation of property, plant and equipment	1,652	18	144	1,814
Depreciation of right-of-use assets	4,402	111	964	5,477
Reversal of impairment losses for trade receivables	(2)	–	–	(2)
Write down of inventories, net	136	41	–	177

Reconciliations of segment results

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Revenue		
Total revenue of reportable segments	201,339	128,592
Segment results		
Total segment results of reportable segments	13,696	(1,644)
Unallocated amounts:		
Unallocated income	276	1,343
Unallocated corporate expenses	(6,699)	(6,392)
Non-reportable segments	299	(89)
Profit/(loss) for the year	7,572	(6,782)

* *Less than US\$1,000*

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:

Revenue

	2023 US\$'000	2022 US\$'000
United States	87,564	66,660
European Union countries ("EU countries")		
France	17,019	6,978
Germany	12,650	6,618
Italy	3,871	1,533
Netherlands	3,183	1,549
Spain	2,639	1,599
Other EU countries (<i>Note 1</i>)	13,146	4,943
United Kingdom	14,684	8,003
Canada	10,799	6,627
Hong Kong	9,265	6,675
Australia	8,392	8,285
Others (<i>Note 2</i>)	18,127	9,122
	<hr/>	<hr/>
Consolidated total	201,339	128,592

Note 1: Other EU countries include sales to EU countries that individually contributed less than 1.0% (2022: 1.0%) of the total revenue of the Group for the years ended 31 December 2023 and 2022.

Note 2: Others include sales to countries that individually contributed less than 2.0% (2022: 1.0%) of the total revenue of the Group for the years ended 31 December 2023 and 2022.

98.8% and 98.2% of the Group's non-current assets are located in Hong Kong as at 31 December 2023 and 2022 respectively.

Revenue from major customers

No revenue from a single customer of the Group contributed over 10% of the total revenue of the Group during the years ended 31 December 2023 and 2022.

7. INCOME TAX EXPENSE/(CREDIT)

	2023 US\$'000	2022 US\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	4	13
Under-provision in current year	–*	(13)
Over-provision in prior years, net	(2)	(356)
	2	(356)
Current tax – Overseas corporate income tax		
Provision for the year	467	122
Over/(under)-provision in current year, net	13	(8)
Under-provision in prior years	28	9
	508	123
Income tax expense/(credit)	510	(233)

* Less than US\$1,000

No provision for Hong Kong Profits Tax has been made in the Company's financial statements since the Company has sufficient tax losses brought forward to set off against current year's assessable profit. No provision for Hong Kong Profits Tax was required for the year ended 31 December 2022 since the Company had no assessable profit for that year.

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the Group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5%.

YesAsia.com (Korea) Limited (“YAKR”) is subject to Korean Corporate Income Tax which comprised national and local taxes (collectively “**Korean Corporate Income Tax**”). Korean Corporate Income Tax is generally charged at the progressive rate from 9.9% to 26.4% (2022: 11.0% to 27.5%) on the estimated assessable profit for the year. The progressive tax rates applicable to YAKR were 9.9% to 20.9% (2022: 11.0% to 22.0%) based on the estimated assessable profits for the year.

The Group's branch in the United Kingdom (“**UK branch**”) is subject to the General Corporate Tax Rate of the United Kingdom (collectively “**UK Corporate Income Tax**”). UK Corporate Income Tax is generally charged at a small profits rate of 19%. No provision for UK Corporate Income Tax was required for the year ended 31 December 2022 since the UK branch had no assessable profit for that year.

Tax charges 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. PROFIT/(LOSS) FOR THE YEAR

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

	2023 US\$'000	2022 US\$'000
Auditor's remuneration	163	163
Cost of inventories sold	92,884	51,829
Depreciation		
– Property, plant and equipment	1,601	1,814
– Right-of-use assets	4,594	5,477
	6,195	7,291
Foreign exchange losses, net	1,524	635
Expenses relating to short-term lease		
– leased properties	91	85
– leased equipment	4	32
	95	117
Write down of inventories (<i>Note</i>)	582	183
Reversal of write down of inventories (<i>Note</i>)	(314)	(6)
Write down of inventories, net (included in cost of inventories sold)	268	177

Note: Write down of inventories or reversal of write down of inventories represent the decrease or increase in the estimated net realisable value at the end of each reporting period.

9. DIVIDEND

	2023 US\$'000	2022 US\$'000
<i>Dividend paid</i>		
Final dividend of nil in respect of the financial year ended 31 December 2022 (2022: US\$0.0064 (equivalent to HK\$0.05) in respect of the financial year ended 31 December 2021) per ordinary share	–	2,555
	–	2,555

A final dividend of HK5.0 cents per share for the year ended 31 December 2023 was recommended by the Board at a Board meeting held on 28 March 2024. Such recommended final dividend is subject to the approval of the members of the Company at the forthcoming annual general meeting. This recommended final dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2024 after the approval at the forthcoming annual general meeting.

10. EARNINGS/(LOSS) PER SHARE

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

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Profit/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share	<u>7,573</u>	<u>(6,782)</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<u>396,140</u>	<u>395,951</u>

The computation of diluted earnings/(loss) per share did not assume the exercise of the Company's outstanding share options as the exercise price of those share options were higher than the average market price for shares for the years ended 31 December 2023 and 2022. Diluted earnings (2022: loss) per share was the same as the basic earnings (2022: loss) per share for the year ended 31 December 2023.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>US\$'000</i>	Furniture and fixtures <i>US\$'000</i>	Computer software and equipment <i>US\$'000</i>	Motor vehicles <i>US\$'000</i>	Total <i>US\$'000</i>
Cost					
At 1 January 2022	2,138	1,214	3,952	70	7,374
Additions	1,784	141	2,442	69	4,436
Write-off	(458)	(190)	(26)	–	(674)
Exchange differences	(2)	(1)	(8)	–	(11)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022 and 1 January 2023	3,462	1,164	6,360	139	11,125
Additions	263	39	452	–	754
Write-off	(283)	(187)	(1,161)	–	(1,631)
Exchange differences	(1)	–	(3)	–	(4)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	<u>3,441</u>	<u>1,016</u>	<u>5,648</u>	<u>139</u>	<u>10,244</u>
Accumulated depreciation					
At 1 January 2022	1,391	447	2,794	10	4,642
Charge for the year	905	231	657	21	1,814
Write-off	(458)	(116)	(14)	–	(588)
Exchange differences	(2)	(1)	(7)	–	(10)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022 and 1 January 2023	1,836	561	3,430	31	5,858
Charge for the year	563	203	807	28	1,601
Write-off	(283)	(100)	(1,147)	–	(1,530)
Exchange differences	(1)	–	(4)	–	(5)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	<u>2,115</u>	<u>664</u>	<u>3,086</u>	<u>59</u>	<u>5,924</u>
Carrying amount					
At 31 December 2023	<u>1,326</u>	<u>352</u>	<u>2,562</u>	<u>80</u>	<u>4,320</u>
At 31 December 2022	<u>1,626</u>	<u>603</u>	<u>2,930</u>	<u>108</u>	<u>5,267</u>

12. TRADE RECEIVABLES

The Group's turnover comprises mainly E-commerce sales, offline wholesale of products and income from logistic and ancillary services. No credit terms have been granted to E-commerce sales and certain offline wholesales and logistic and ancillary services are granted credit terms ranging from 0 to 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 and logistic customers. No default of settlement is expected by reference to past experience.

The aging analysis of trade receivables, based on the revenue recognition date (i.e. invoice date), at the end of each reporting period and net of allowance, is as follows:

	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
0 to 30 days	4,616	2,097
31 to 60 days	57	30
61 to 90 days	1	7
Over 90 days	4	14
	<hr/> 4,678	<hr/> 2,148

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>
Prepayments		
Prepayment to suppliers	1,769	1,297
Prepaid rental	7	7
Prepaid selling expenses	198	252
Prepaid administrative expenses	461	521
	<hr/> 2,435	<hr/> 2,077
Deposits		
Deposit paid for property, plant and equipment	33	–
Rental deposits	1,832	1,938
Trade deposits	273	268
Utilities deposits	68	60
	<hr/> 2,206	<hr/> 2,266
Other receivables		
Export tax refundable	1,080	860
Others	99	163
	<hr/> 1,179	<hr/> 1,023
	<hr/> 5,820	<hr/> 5,366
Analysed as:		
Current assets	4,197	3,668
Non-current assets	1,623	1,698
	<hr/> 5,820	<hr/> 5,366

14. TRADE AND OTHER PAYABLES AND ACCRUALS

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Trade payables	5,827	4,143
Other payables		
Indirect tax payables	3,266	3,492
Dividend payables	336	336
	<u>3,602</u>	<u>3,828</u>
Accruals		
Accrued staff costs	1,483	340
Accrued selling expenses	1,155	715
Accrued administrative expenses	539	621
	<u>3,177</u>	<u>1,676</u>
	<u>12,606</u>	<u>9,647</u>

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

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
0 to 30 days	5,349	4,009
31 to 60 days	404	131
61 to 90 days	22	3
Over 90 days	52	–
	<u>5,827</u>	<u>4,143</u>

15. CONTRACT LIABILITIES

	2023 US\$'000	2022 US\$'000
Sales of goods through online platform (<i>Note (i)</i>)	8,976	5,452
Deferred revenue for customer loyalty programme (<i>Note (ii)</i>)	2,288	624
Store credits (<i>Note (iii)</i>)	1,471	3,315
	<u>12,735</u>	<u>9,391</u>

Note:

- (i) When the Group receives the payment in full before the goods is shipped/delivered, this will give rise to contract liabilities at the start of a contract, until the revenue recognised when the goods is shipped/delivered to the customers.
- (ii) Contract liabilities relating to deferred revenue for loyalty programme are a portion of the transaction price allocated to the memberships based on the relative stand-alone selling price.
- (iii) Store credit is a type of refund offered by the Group to a customer who returns an item that allows them to purchase something in the Group up to the value of a returned item. Store credit would be valid for 2 years upon the grant date. As at 31 December 2023, store credits granted to customers of US\$2,522,000 were unused and expired in accordance with the terms of use of the Group. Such expired and unused store credits were written back. Accordingly, the Group recognised revenue of US\$2,522,000 for the year ended 31 December 2023 (2022: HK\$Nil) arising from the written back of the expired and unused store credits.

The significant changes in the contract liabilities balances during the year ended 31 December 2023 were mainly due to the Group's customer base being broadened as compared to the year ended 31 December 2022, resulting in an increase in contract liabilities for the year ended 31 December 2023.

Except the store credits which would be valid for 2 years upon the grant date, all of the remaining contract liabilities are expected to be recognised as revenue within one year.

16. LEASE LIABILITIES

	2023		2022	
	<i>US\$'000</i>		<i>US\$'000</i>	
Leased properties	12,042		15,234	
Office equipment	142		230	
	12,184		15,464	
	Minimum lease payments		Present value of minimum lease payments	
	2023	2022	2023	2022
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Within one year	5,517	5,036	4,715	3,903
In the second year	5,179	6,537	4,754	5,556
In the third to fifth year, inclusive	2,806	6,296	2,715	6,005
	13,502	17,869	12,184	15,464
Less: Future finance charges	(1,318)	(2,405)	N/A	N/A
Present value of lease obligations	12,184	15,464	12,184	15,464
Less: Amount due for settlement within 12 months (shown under current liabilities)			(4,715)	(3,903)
Amount due for settlement after 12 months			7,469	11,561

17. RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's executive directors and certain of the highest paid employees, is as follows:

	2023 US\$'000	2022 US\$'000
Salaries and allowances	1,323	1,265
Discretionary bonus	146	–
Equity-settled share-based payments	50	108
Retirement benefits scheme contributions	53	39
	<u>1,572</u>	<u>1,412</u>

(b) Other related party transactions

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	2023 US\$'000	2022 US\$'000
Customer relationship management and contact centre service fees to HKT Teleservices International Limited ("HKT") (Note (i))	–	(195)
Return merchandise authorisation service fee to Ms. Chu Po King (Note (ii))	(2)	(2)
	<u>(2)</u>	<u>(2)</u>

Note:

(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.

(c) The Company received management fees of US\$11,736,000 (2022: US\$11,400,000) during the year ended 31 December 2023 from its subsidiaries.

(d) The Company paid management fee of US\$122,000 (2022: US\$33,000) during the year ended 31 December 2023 to a subsidiary.

18. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the year but not yet incurred are as follows:

	2023 US\$'000	2022 US\$'000
Property, plant and equipment	<u>33</u>	<u>11</u>

BUSINESS OVERVIEW

Fashion & Lifestyle and Beauty Products

Business-to-Consumer (B2C) platforms (YesStyle Platforms)

A new front page and a beauty products-focused promotion strategy were introduced on *YesStyle Platforms* since January 2023. *YesStyle Platforms* successfully ranked the 10th and 6th most visited beauty websites in the US by SimilarWeb¹ and Semrush² respectively. Revenue contributed by *YesStyle Platforms* during the Reporting Year was approximately US\$158,655,000 (2022: US\$109,934,000), representing an increase of approximately 44.3% as compared to the Prior Year, which was driven by the increase in the number of sale orders received by approximately 52.3% as compared to that in the Prior Year.

The *YesStyle* sales order number in the European Union, Canada, and the United Kingdom increased by 136.8%, 117.5% and 77.2% respectively as compared to the Prior Year.

Business-to-Business (B2B) platform (AsianBeautyWholesale)

AsianBeautyWholesale continued to grow quickly during the Reporting Year as K-Beauty's popularity grew worldwide. With the growth of number of customers, number of orders and average order size by approximately 90.1%, 143.4% and 38.6% respectively during the Reporting Year as compared to the Prior Year, revenue from *AsianBeautyWholesale* during the Reporting Year rose to approximately US\$38,788,000 (2022: US\$11,601,000), representing an increase of approximately 234.4% as compared to the Prior Year.

Products

During the Reporting Year, we continued to strengthen our competitive edge in the K-Beauty product market, by partnering with 78 new K-Beauty brands with business potential to enrich our brand variety and taking down 60 brands with performance below expectation. As at the end of the Reporting Year, *YesStyle* partnered with 448 K-Beauty brands (2022: 430). The revenue contributed from beauty products as a percentage of the total revenue increased from approximately 54.1% during the Prior Year to approximately 80.6% during the Reporting Year. We continued to foster closer relationships with our K-Beauty partners. LG H&H Co., Ltd., a major South Korean consumer goods company under LG Corporation, authorised us to distribute additional 14 LG brands during the Reporting Year. In addition, we further strengthened our partnerships with two popular K-Beauty companies, Amorepacific Corporation and CJ Olive Young Corporation by adding one more brand from Amorepacific Corporation, espoir, and 5 more brands under CJ Olive Young Corporation, namely IDEAL FOR MEN, fillimilli, colorgram, ROUND A'ROUND and BIOHEAL BOH to our E-commerce platforms.

¹ <https://www.similarweb.com/website/yesstyle.com/#overview>

² <https://www.semrush.com/website/top/united-states/beauty/>

YesStyle Influencer Program

The *YesStyle* Influencer Program showed strong growth during the Reporting Year. During the Reporting Year, revenue generated from influencers' referrals amounted to approximately US\$40,422,000 (2022: US\$21,901,000), representing an increase of 84.6% as compared to the Prior Year, demonstrating the continuous success of the *YesStyle* Influencer Program. Such contribution represented approximately 25.5% of revenue generated from *YesStyle* (2022: 19.9%).

The number of influencers grew from approximately 279,000 at the end of 2022 to approximately 333,000 as at 31 December 2023, representing an increase of approximately 54,000 influencers.

We continued to partner with influencers to create interesting videos and posts on various platforms, including Instagram, TikTok and YouTube, etc., which increased *YesStyle*'s exposure and referral revenue. In particular, the total number of *YesStyle* TikTok Influencers continued to grow rapidly, from approximately 44,000 at the end of 2022 to approximately 72,000 at the end of 2023.

Customer Relationship Management System

Our CRM System continued to strengthen our targeted marketing and promotions during ad-hoc campaigns and the peak season. During the Reporting Year, we enhanced our "welcome journey" by analyzing customers' entry point and product preference. Revenue facilitated by the CRM System amounted to approximately US\$26,023,000 (2022: US\$14,892,000), representing a growth of 74.7%.

The number of *YesStyle* loyalty program members increased to approximately 11,617,000 as at 31 December 2023 (2022: 8,272,000), representing an increase by approximately 40.4% during the Reporting Year.

YesStyle Student Program

The number of Generation Z students and members who have signed up reached approximately 98,000 by the end of December 2023 (2022: 50,000), generating revenue of approximately US\$5,145,000 during the Reporting Year (2022: US\$4,185,000).

Entertainment Products

For *YesAsia*, the revenue contributed from our entertainment products for the Reporting Year fell by approximately 48.8% as compared to the Prior Year. The decrease was mainly due to a lack of popular new releases during the Reporting Year.

The Group has ceased its offline wholesale of entertainment products since January 2023 and has since reallocated its resources to the development of its online platform business.

Logistics Services

The revenue contributed from our logistics services amounted to approximately US\$1,178,000 during the Reporting Year (2022: US\$938,000).

Cost Saving Measures

During the Reporting Year, we have continued to monitor our expenditure growth. While we have devoted much effort to support the expansion, the increase in total selling expenses and administrative expenses was much lesser than the high revenue growth. Our selling expenses, excluding payment gateway charges, amounted to approximately US\$18,719,000 for the Reporting Year (2022: US\$15,688,000), representing an increase of 19.3%. Payment gateway charges for the Reporting Year increased by approximately 54.6% as compared to the Prior Year, which was in line with the revenue growth.

In addition, our administrative expenses decreased to approximately US\$29,577,000 during the Reporting Year (2022: US\$30,682,000), representing a decrease of approximately 3.6% as compared to the Prior Year. This was the result of the decrease in depreciation of right-of-use assets, depreciation of property, plant and equipment, rates and management fee under administrative expenses due to (i) the non-renewal of certain leases of the Group's warehouses during the Prior Year upon expiry and consolidation of our warehouses to the Smart Robotics Warehouse; and (ii) write-off of leasehold improvements for warehouses upon lease expiry.

With the continuous fine-tuning of the AMR system, the efficiency of our fulfillment is enhanced to cope with the sales order growth and the AMR system brings in cost-saving benefits to our operations. The percentage of outsourced warehouse labour charges and warehouse wages in aggregate to revenue ("**Labour Cost Rate**") was approximately 3.5% (Prior Year: 5.2%). We successfully achieved an annual savings of approximately US\$3,374,000 or 32.5% by deploying the AMR system.

Prospects

Consumer sentiment, which showed signs of improvement in early 2023, is expected to contribute to a more resilient retail landscape. The online sales channels are poised to maintain their competitive advantages, leveraging their ability to offer a diverse range of products at competitive prices and providing unparalleled convenience for consumers to make purchases at any time.

The favorable economic developments, including the recent slowdown in the inflation rate in the US and the easing of inflation in the United Kingdom and the European Union, are likely to bring relief to consumers in those regions. While short-term economic uncertainties persist, the strengthened consumer sentiment towards long-term economic recovery prospects is expected to bring positive impact on our business.

Moreover, demand for beauty products is expected to have a strong momentum of growth in the coming years. We believe that the growing global K-Beauty product market remains an opportunity and a key driver to the Group's business.

In addition to initiatives aimed at boosting our top-line growth, we remain committed to robust cost management strategies. Operational efficiency will continue to be one of the priorities for the Group's revenue growth in the coming years. We expect to leverage on cost-saving benefits due to the deployment of AMR in the Smart Robotics Warehouse.

The Group will continue to adjust its strategies and review new business opportunities with the goal towards improving Shareholders' returns.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately US\$72,747,000 or 56.6% from approximately US\$128,592,000 during the Prior Year to approximately US\$201,339,000 during the Reporting Year. The increase was primarily attributable to (i) approximately US\$48,721,000 or 44.3% increase in sales contributed by *YesStyle* to approximately US\$158,655,000 during the Reporting Year from approximately US\$109,934,000 during the Prior Year; and (ii) approximately US\$27,187,000 or 234.4% increase in sales contributed by *AsianBeautyWholesale* to approximately US\$38,788,000 during the Reporting Year from approximately US\$11,601,000 during the Prior Year, offset by approximately US\$3,401,000 or 55.6% decrease in sales contributed by entertainment products to approximately US\$2,718,000 during the Reporting Year from approximately US\$6,119,000 during the Prior Year.

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

	Year ended 31 December				Change (%)
	2023		2022		
	<i>US\$'000</i>	<i>As % of total revenue</i>	<i>US\$'000</i>	<i>As % of total revenue</i>	
Fashion & lifestyle and beauty products					
– <i>YesStyle Platforms</i>	158,655	78.8	109,934	85.5	44.3
– <i>AsianBeautyWholesale</i>	38,788	19.3	11,601	9.0	234.4
	197,443	98.1	121,535	94.5	62.5
Entertainment products					
– <i>YesAsia Platform</i>	2,718	1.3	5,308	4.1	(48.8)
– Offline wholesale	–	–	811	0.7	(100.0)
	2,718	1.3	6,119	4.8	(55.6)
Logistics services	1,178	0.6	938	0.7	25.6
Total	201,339	100.0	128,592	100.0	56.6

Cost of Sales

Cost of sales of the Group during the Reporting Year was approximately US\$138,641,000, representing an increase of approximately US\$52,775,000 or 61.5%, as compared to approximately US\$85,866,000 during the Prior Year. However, product costs as percentage of revenue increased by approximately 5.9 percentage points to approximately 46.2% during the Reporting Year from approximately 40.3% in the Prior Year. This was mainly because of the increase in the weighting of revenue from *AsianBeautyWholesale* which has a lower markup as it is a wholesale business.

	Year ended 31 December				Change (%)
	2023	As % of revenue	2022	As % of revenue	
	US\$'000		US\$'000		
Product costs	92,884	46.2	51,829	40.3	79.2
Freight charges	44,487	22.1	32,889	25.6	35.3
Packing materials	990	0.5	874	0.7	13.3
Direct labour cost	280	0.1	274	0.2	2.2
Total	138,641	68.9	85,866	66.8	61.5

Gross Profit and Gross Margin

Gross profit of the Group during the Reporting Year was approximately US\$62,698,000, representing an increase of approximately US\$19,972,000 or 46.7% as compared to approximately US\$42,726,000 for the Prior Year. The gross profit margin decreased by approximately 2.1 percentage points to approximately 31.1% (2022: 33.2%).

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

	Year ended 31 December				Change (%)
	2023		2022		
	<i>Gross Profit</i> <i>Margin</i> <i>US\$'000</i>	<i>(%)</i>	<i>Gross Profit</i> <i>Margin</i> <i>US\$'000</i>	<i>(%)</i>	
Fashion & lifestyle and beauty products					
– <i>YesStyle Platforms</i>	52,241	32.9	38,044	34.6	37.3
– <i>AsianBeautyWholesale</i>	8,969	23.1	2,942	25.4	204.9
	<u>61,210</u>	<u>31.0</u>	<u>40,986</u>	<u>33.7</u>	<u>49.3</u>
Entertainment products					
– <i>YesAsia Platform</i>	600	22.1	1,096	20.6	(45.3)
– Offline wholesale	–	–	66	8.1	(100.0)
	<u>600</u>	<u>22.1</u>	<u>1,162</u>	<u>19.0</u>	<u>(48.4)</u>
Logistics services	<u>888</u>	<u>75.4</u>	<u>578</u>	<u>61.6</u>	<u>53.6</u>
Total	<u>62,698</u>	<u>31.1</u>	<u>42,726</u>	<u>33.2</u>	<u>46.7</u>

Other Income and Other Gains and Losses

Our other income and other gains and losses decreased by approximately US\$890,000 or 91.5% from approximately US\$973,000 during the Prior Year to approximately US\$83,000 during the Reporting Year. The decrease was primarily attributable to (i) the absence of approximately US\$632,000 of non-recurring government subsidies income during the Reporting Year; (ii) the absence of approximately US\$208,000 in gains on remeasurement upon lease modification during the Reporting Year; (iii) approximately US\$78,000 or 36.1% increase in fair value loss on financial assets at fair value through profit or loss; (iv) approximately US\$73,000 or 90.1% decrease in reversal of provision on reinstatement costs; (v) approximately US\$62,000 or 49.2% decrease in cash rebates; and (vi) approximately US\$30,000 or 62.5% decrease in dividend income, offset by approximately US\$219,000 of compensation income for early termination of service agreement during the Reporting Year (2022: Nil).

Selling Expenses

The Group's selling expenses during the Reporting Year were approximately US\$23,908,000 (2022: US\$19,044,000), representing an increase of approximately US\$4,864,000 or 25.5% as compared to that for the Prior Year. Such increase was mainly attributable to (i) approximately US\$2,527,000 or 35.7% increase in marketing and promotion fees due to increase in beauty products-focused promotion; (ii) approximately US\$1,833,000 or 54.6% increase in payment gateway charges; (iii) approximately US\$696,000 or 29.4% increase in outsourced warehouse labour charges and (iv) approximately US\$357,000 or 193.0% increase in custom duties during the Reporting Year, partially offset by (i) approximately US\$315,000 or 7.4% decrease in warehouse wages; and (ii) approximately US\$226,000 or 62.4% decrease in web content and translation fee.

	Year ended 31 December				Change (%)
	2023	As % of	2022	As % of	
	US\$'000	revenue	US\$'000	revenue	
Marketing and promotion fees	9,604	4.8	7,077	5.5	35.7
Payment gateway charges	5,189	2.6	3,356	2.6	54.6
Warehouse wages	3,959	2.0	4,274	3.3	(7.4)
Outsourced warehouse labour charges	3,060	1.5	2,364	1.9	29.4
IT networking fee	1,412	0.7	1,426	1.1	(1.0)
Custom duties	542	0.3	185	0.1	193.0
Web content and translation fee	136	–	362	0.3	(62.4)
Outsourced fulfilment fee	6	–	–	–	100.0
Total	23,908	11.9	19,044	14.8	25.5

Administrative Expenses

The Group's administrative expenses during the Reporting Year were approximately US\$29,577,000 (2022: US\$30,682,000), representing a decrease by approximately US\$1,105,000 or 3.6% as compared to that of the corresponding period in 2022. The decrease was mainly due to (i) approximately US\$883,000 or 16.1% decrease in depreciation of right-of-use assets which benefited from the non-renewal of certain leases of the Group's warehouses during the Prior Year upon expiry and consolidation of our warehouses to the Smart Robotics Warehouse; (ii) approximately US\$409,000 or 2.4% decrease in staff costs as the number of administrative employees reduced from 376 as at 31 December 2022 to 357 as at 31 December 2023; (iii) approximately US\$339,000 or 41.9% decrease in other administrative expenses due to absence of expenses related to moving and preparation activities for the establishment of the Smart Robotics Warehouse during the Reporting Year; (iv) approximately US\$213,000 or 11.7% decrease in depreciation of property, plant and equipment due to the write-off of leasehold improvements for warehouses upon lease expiry; (v) approximately US\$210,000 or 14.3% decrease in rates and management fee; and (vi) approximately US\$91,000 or 8.4% decrease in utility expenses, partially offset by (i) approximately US\$889,000 or 140.0% increase in exchange losses, net due to more payments settled by our payment gateway as a result of revenue increase during the Reporting Year; and (ii) approximately US\$93,000 or 80.2% increase in staff training and recruitment expenses resulted from more training programs organized during the Reporting Year.

	Year ended 31 December				
	2023		2022		
	<i>US\$'000</i>	<i>As % of revenue</i>	<i>US\$'000</i>	<i>As % of revenue</i>	<i>Change (%)</i>
Staff costs	16,755	8.3	17,164	13.4	(2.4)
Depreciation of right-of-use assets	4,594	2.3	5,477	4.3	(16.1)
Depreciation of property, plant and equipment	1,601	0.8	1,814	1.4	(11.7)
Exchange losses, net	1,524	0.8	635	0.5	140.0
Rates and management fee	1,259	0.6	1,469	1.1	(14.3)
Legal and professional fees	1,170	0.6	1,176	0.9	(0.5)
Utilities expenses	987	0.5	1,078	0.9	(8.4)
Directors' remuneration	750	0.4	664	0.5	13.0
Staff training and recruitment expenses	209	0.1	116	0.1	80.2
Auditor's remuneration	163	0.1	163	0.1	–
Operating lease charges	95	–	117	0.1	(18.8)
Others	470	0.2	809	0.6	(41.9)
Total	29,577	14.7	30,682	23.9	(3.6)

Finance Costs

The Group's finance costs for the Reporting Year were approximately US\$1,218,000 (2022: US\$990,000), representing an increase of approximately 23.0% as compared to that of the Prior Year, reflecting an increase in interest on lease liabilities and provision for reinstatement costs for the new warehouse spaces leased during the Reporting Year.

Income Tax Expense/(Credit)

Income tax expense for the Reporting Year was approximately US\$510,000 (2022: US\$233,000 credit). The income tax expense during the Reporting Year was mainly due to increase in operating profit generated as compared to that of the Prior Year.

Profit/(loss) for the Year

As a result of the foregoing, the Group recorded a net profit of approximately US\$7,572,000 for the Reporting Year, as compared with a net loss of approximately US\$6,782,000 during the Prior Year. The increase in net profit was mainly attributable to the increase in revenue by approximately US\$72,747,000 or 56.6% during the Reporting Year as compared to that in the Prior Year and thus increased the gross profit generated by approximately US\$19,972,000.

CAPITAL EXPENDITURE

During the Reporting Year, the Group acquired plant and equipment of approximately US\$754,000 (2022: US\$4,436,000). The capital expenditure during the Reporting Year was mainly attributable to leasehold improvements for the new warehouse leased during the Reporting Year and improvement in air-conditioning system in the Group's warehouse premises.

LIQUIDITY AND CAPITAL RESOURCES

During the Reporting Year, our principal source of liquidity was cash from operations and the net proceeds from the Listing. As of 31 December 2023, the Group's bank and cash balances amounted to approximately US\$25,181,000 (2022: US\$18,797,000), which were mainly denominated in US Dollar, Hong Kong Dollar, South Korean Won, Japanese Yen, British Pound Sterling and Euro.

As at 31 December 2023, the Group's bank and cash balances comprises (i) cash and cash equivalents of approximately US\$25,088,000 (2022: US\$16,659,000); (ii) bank fixed deposits with original maturity beyond three months of approximately US\$93,000 (2022: US\$2,121,000); and (iii) no restricted bank balances (2022: US\$17,000).

Our cash and cash equivalents increased by approximately US\$8,429,000 during the Reporting Year, which was attributable to the net cash generated from operating activities of approximately US\$8,992,000, the net cash generated from investing activities of approximately US\$1,381,000, offset by the net cash used in financing activities of approximately US\$1,952,000 and the positive effect of foreign exchange rate changes of approximately US\$8,000 during the year ended 31 December 2023.

Net cash generated from operating activities during the year ended 31 December 2023 was mainly due to (i) operating profit before working capital changes of approximately US\$15,789,000; (ii) approximately US\$2,959,000 increase in trade and other payables and accruals; (iii) approximately US\$3,344,000 increase in contract liabilities; and (iv) approximately US\$374,000 income taxes refunded, partially offset by (i) approximately US\$9,220,000 increase in inventories; (ii) approximately US\$2,526,000 increase in trade receivables; (iii) approximately US\$1,144,000 interest on lease liabilities paid; (iv) approximately US\$389,000 increase in prepayments, deposits and other receivables; and (iv) approximately US\$195,000 decrease in provisions.

Net cash generated from investing activities during the year ended 31 December 2023 was mainly due to (i) approximately US\$2,028,000 decrease in bank fixed deposits with original maturity beyond three months; (ii) approximately US\$123,000 interest received; and (iii) approximately US\$17,000 decrease in restricted bank balance, partially offset by (i) approximately US\$754,000 property, plant and equipment purchased mainly for the newly leased warehouse's leasehold improvements during the Reporting Year and improvement in air-conditioning system in the Group's warehouse premises; and (ii) approximately US\$33,000 deposits paid for property, plant and equipment.

Net cash used in financing activities was mainly due to approximately US\$3,966,000 repayment of principal elements of lease payments, partially offset by (i) approximately US\$92,000 of proceeds from issuance of shares; and (ii) approximately US\$1,922,000 decrease in pledged bank fixed deposits during the Reporting Year.

Our bank fixed deposits with original maturity beyond three months decreased by US\$2,028,000 during the Reporting Year as compared to that in the Prior Year, to increase liquidity in supporting the Group's operation during the Reporting Year.

As at 31 December 2023, the Group had no bank borrowing (2022: Nil).

We believe that our liquidity requirements and our expected source of funding in the coming year will be satisfied by using the cash generated from our operations.

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 Year. Consistent with the aforesaid treasury objectives and policy, the Group undertakes treasury management activities with respect to its surplus cash assets. The selection criteria 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 US Dollar, Hong Kong Dollar, South Korean Won, Japanese Yen, British Pound Sterling and Euro. 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 US Dollar upon currency 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 (ie. South Korean Won, Japanese Yen, British Pound Sterling, Renminbi and Euro, etc) other than the functional currency of our Group (ie. US Dollar).

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 total interest-bearing liabilities (including lease liabilities) divided by total equity, decreased from approximately 57.0% as at 31 December 2022 to approximately 34.8% as at 31 December 2023, primarily due to the decrease in lease liabilities and the increase in total equity due to net profit of approximately US\$7,572,000 for the Reporting Year.

CAPITAL COMMITMENTS

Save for those disclosed in note 18 to the consolidated financial statements, the Group did not have any significant capital commitments as at 31 December 2023.

SIGNIFICANT INVESTMENTS HELD

During the Reporting Year, we did not hold any significant investments, save for the 1,100,000 shares in CN Logistics, representing approximately 0.4% of the issued share capital of CN Logistics with a fair value amounted to approximately US\$863,000 as at 31 December 2023 (2022: US\$1,191,000). The investment represents approximately 1.2% of the total consolidated asset of the Group as at 31 December 2023 (2022: 1.9%). 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. CN Logistics is a strategic logistics partner of the Group for delivery of our customers' products to the US, Europe and other overseas markets.

As at 31 December 2023, the unrealised fair value loss of such investment was approximately US\$328,000 due to the decrease in share price in CN Logistics during the Reporting Year from the carrying value as at 31 December 2022. We have received dividend of approximately US\$18,000 from the investment during the Reporting Year. In view of the expected complementary effect and 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.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Except as disclosed herein, as of the date of this announcement, 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 year ended 31 December 2023 and as of the date of this announcement, we did not have any material acquisition or disposal of subsidiaries, associates and joint ventures nor any such future plans.

CHARGE ON ASSETS

As at 31 December 2023, the banking facilities of the Group mainly comprised revolving loans, corporate credit cards and letters of guarantee issued to the Group and the Group's suppliers, respectively for products purchased by the Group and securing the payments to the Group's suppliers respectively. The banking facilities were secured by the pledged bank fixed deposits of the Group which amounted to approximately US\$1,257,000 as of 31 December 2023 (2022: US\$3,179,000).

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2023, we had 454 employees (2022: 489 employees) based in Hong Kong, Japan and South Korea.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees and Directors competitive remuneration packages, which generally include basic wages, variable wages, bonuses and other benefits granted in accordance with their business performance. In order to promote overall operational efficiency, employee loyalty and employee retention, we provide our employees with technical and operational on-the-job training as well as talent development programs. Share options may also be granted to employees of the Group under the Post-IPO Share Option Scheme at the sole discretion of the Board or its delegate(s).

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any material contingent liabilities (2022: Nil).

TRANSACTIONS IN SANCTIONED COUNTRIES OR WITH SANCTIONED PERSONS

During the Reporting Year, 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 31 December 2023, the Group did not anticipate any plans for any new activities in Sanctioned Countries or with Sanctioned Persons.

During the Reporting Year, the Group derived revenue of approximately US\$2,145,000 (2022: US\$609,000) 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.

DEED OF NON-COMPETITION

Mr. Lau and Ms. Chu (in their capacities as the Controlling Shareholders) provided the Deed of Non-Competition with details as set out in the section headed “Relationship with Controlling Shareholders” and subsection headed “Deed of Non-Competition” of the Prospectus.

The Company has received duly signed written annual declarations dated 8 January 2024 from each of the Controlling Shareholders confirming that each of them had fully complied with their undertakings under the Deed of Non-Competition during the year ended 31 December 2023.

The independent non-executive Directors have reviewed such declarations regarding the compliance of the Deed of Non-Competition and were satisfied that the terms of the Deed of Non-Competition had been duly complied with and enforced during the year ended 31 December 2023.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and the Code Provisions set out in the CG Code as amended from time to time contained in Appendix C1 to the Listing Rules. During the year ended 31 December 2023, the Company has complied with the Code Provisions as set out in the CG Code apart from the deviation from Code Provision D.2.5 of the CG Code.

Under Code Provision D.2.5, issuers should have an internal audit function.

The Group does not have an internal audit function and the Board is of the view that there is no immediate need to set up an internal audit function within the Group having reviewed the size, nature and complexity of the Group's business during the Reporting Year. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance with applicable laws, rules and regulations. The situation will be reviewed by the Board on an annual basis.

BT Corporate Governance Limited ("**BTCGL**") has been appointed to review the effectiveness of the internal control systems of the Group, including financial, operational and compliance risks and the respective risk mitigation activities, during the Reporting Year.

BTCGL has prepared the internal audit report and presented to the Group's management and operational teams for their attention and appropriate actions. Remedial actions have been developed collaboratively by the Group's management and operational teams to rectify the control weaknesses identified.

Save as disclosed above, none of the Directors is aware of any information which would reasonably indicate that the Company had not, throughout the year ended 31 December 2023, fully complied with the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a model code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard as set out in the Model Code.

The Company has made specific enquiries with all Directors and all of them confirmed that they have complied with the required standards set out in the Model Code during the Reporting Year.

DIVIDEND

The Directors recommended the payment of a final dividend of HK5.0 cents per Share for the year ended 31 December 2023 (2022: Nil), totalling approximately US\$2,562,000 (2022: Nil). The final dividend is subject to the approval of the Shareholders at the forthcoming AGM of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, save for the grant of 223,500 options of the Company under the Post-IPO Share Option Scheme (each option of the Company shall entitle the holder to subscribe for 10 Shares).

CHARITABLE DONATION

The Group made approximately US\$10,000 charitable donation during the Reporting Year (2022: Nil).

USE OF PROCEEDS FROM LISTING

As disclosed in the announcement of the Company dated 27 October 2023, the Board has resolved to reallocate part of the unutilised net proceeds from the Listing, which was originally allocated for the use of expanding logistics fulfillment capacity and enhancing warehouse efficiency, to the use of increasing the marketing efforts in promotion of beauty products (the “**Reallocation**”).

The table below sets forth (i) planned use of net proceeds in the Prospectus; (ii) the Reallocation; (iii) planned use of net proceeds subsequent to the Reallocation; (iv) net proceeds utilised up to 31 December 2023; and (v) net proceeds unutilised as at 31 December 2023:

Use of proceeds	Planned use of net proceeds as disclosed in the Prospectus <i>HK\$' million</i>	The Reallocation <i>HK\$' million</i>	Planned use of net proceeds subsequent to the Reallocation <i>HK\$' million</i>	Net proceeds utilised up to 31 December 2023 <i>HK\$' million</i>	Net proceeds unutilised as at 31 December 2023 <i>HK\$' million</i>	Expected timeline for full utilisation of the unutilised proceeds
1. Increase our marketing efforts for customer acquisition and retention	49.9	–	49.9	(49.9)	–	
2. Enhance our platform content and IT capabilities and create satisfactory user experience to promote benefits and uniqueness of Korean beauty and fashion product	18.5	–	18.5	(18.5)	–	On or before 31 March 2024
3. Expand our logistics fulfillment capacity and enhance our warehouse efficiency	14.9	(8.9)	6.0	(6.0)	–	
4. Increase the marketing efforts in promotion of beauty products	–	8.9	8.9	(8.9)	–	On or before 31 March 2024
5. General working capital	9.0	–	9.0	(9.0)	–	
Total	92.3	–	92.3	(92.3)	–	

EVENTS AFTER THE REPORTING DATE

There were no significant events after the Reporting Year up to the date of this announcement.

CLOSURE OF REGISTER OF MEMBERS

In relation to the AGM

The forthcoming AGM is scheduled to be held on Friday, 21 June 2024. For ascertaining shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 17 June 2024 to Friday, 21 June 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 14 June 2024.

In relation to the proposed final dividend

The Board has resolved to recommend the payment of a final dividend of HK5.0 cents per Share in cash for the year ended 31 December 2023 to shareholders whose names appear on the register of members of the Company on 4 July 2024, Thursday, subject to the approval of the shareholders of the Company at the AGM. For ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from 28 June 2024, Friday, to 4 July 2024, Thursday (both dates inclusive), during which no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by no later than 4:30 p.m. on 27 June 2024, Thursday.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The annual results announcement have been reviewed by the Audit Committee. The financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2023, as set out in this announcement, have been agreed by the Company's auditor, RSM Hong Kong, Certified Public Accountants ("**RSM Hong Kong**"). The work performed by RSM Hong Kong in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the HKICPA and consequently no assurance has been expressed by RSM Hong Kong.

PUBLICATION OF 2023 ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2023 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company by the end of April 2024 and will also be published on the website of the Company at <http://www.yesasiaholdings.com> and the website of the Stock Exchange at <http://www.hkexnews.hk>.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 21 June 2024. The notice of the AGM will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

DEFINITIONS AND GLOSSARY

“AGM”	annual general meeting of the Company
“AMR”	automated robot equipment used in the integrated system of hardware and software for warehouse and logistics management functions
“ <i>AsianBeautyWholesale</i> ”	the <i>AsianBeautyWholesale</i> platform with its website at www.AsianBeautyWholesale.com
“Audit Committee”	the audit committee of our Company
“Board”	the board of directors of our Company
“Code Provisions”	code provisions set out in the CG Code
“CG Code”	Corporate Governance Code as amended from time to time contained in Appendix C1 to the Listing Rules
“Company”, “our Company”, “the Company” or “YesAsia Holdings”	YesAsia 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, YesAsia.com, Inc. (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
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, in the context of this announcement, 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))
“CRM system”	Customer relationship management system
“Deed of Non-Competition”	a deed of non-competition undertaking dated 24 June 2021 provided by Mr. Lau and Ms. Chu (in their capacities as our Controlling Shareholders) in favour of our Company (for itself and as trustee for our subsidiaries) relating to certain non-competition undertakings given by Mr. Lau and Ms. Chu
“Directors” or “our Directors”	the directors of our Company
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the Shares 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 C3 to the Listing Rules

“Ms. Chu”	Ms. Chu Lai King, one of the founders of our Group, an executive Director, Chairperson and one of our Controlling Shareholders
“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
“Offline wholesale”	YesAsia.com Japan Kabushiki Kaisha (iesu asia dotto comu japan kabushiki kaisha)
“pp”	percentage point
“Prior Year”	the year ended 31 December 2022
“Prospectus”	prospectus of the Company dated 28 June 2021
“Reporting Year”	the year ended 31 December 2023
“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, Donetsk and Luhansk Regions
“Sanctioned Person(s)”	certain person(s) and entity(ies) listed on The US Department of Treasury’s Office of Foreign Assets Control’s Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the US, the European Union, the United Nations or Australia
“Share(s)”	Ordinary share(s) in the share capital of our Company
“Shareholder(s)”	holder(s) of Shares
“Smart Robotics Warehouse”	the smart warehouse located at the warehouse at Goodman Interlink with approximately 137,525 square feet in Tsing Yi equipped with AMR
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“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
“US\$”, “USD” or “US Dollar”	United States dollar, the lawful currency of the United States
“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” or “YesAsia Platform”	the <i>YesAsia platform</i> with its website at www.YesAsia.com
“YesStyle” or “YesStyle Platforms”	the <i>YesStyle platforms</i> , which include the website at www.YesStyle.com and the <i>YesStyle Mobile apps</i>

On behalf of the Board
YESASIA HOLDINGS LIMITED
Chu Lai King
Chairperson

Hong Kong, 28 March 2024

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