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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)**

**MAJOR TRANSACTION  
IN RESPECT OF OFFER TO LEASE**

**THE LETTER OF OFFER**

The Board is pleased to announce that on 17 May 2024, YA Logistics, a wholly-owned subsidiary of the Company, as tenant received the Letter of Offer which was accepted by the Landlord as landlord in respect of the leasing of the Premises for a term of five years commencing on 23 September 2024 and expiring on 22 September 2029 (both days inclusive) together with an option to renew for a further term of five years.

**IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to HKFRS 16, the Group will be required to recognise the value of the right-of-use asset in connection with the leasing of the Premises in its consolidated statement of financial position. Accordingly, the transaction contemplated under the Letter of Offer 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 one or more of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) in respect of the value of the right-of-use asset to be recognised by the Group under the Letter of Offer according to HKFRS 16 exceeds 25% but is less than 100%, the transaction contemplated under the Letter of Offer constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 17 May 2024, YA Logistics, a wholly-owned subsidiary of the Company, as tenant received the Letter of Offer which was accepted by the Landlord as landlord in respect of the leasing of the Premises for a term of five years commencing on 23 September 2024 and expiring on 22 September 2029 (both days inclusive) together with an option to renew for a further term of five years.

The principal terms of the Letter of Offer are set out below:

Date	17 May 2024
Parties	(1) Landlord (as landlord); and (2) YA Logistics (as tenant)
Premises	All Warehouse Unit 1, 2 and 3, SIXTEEN (16) carpark lots L101 to L112, P101 to P104 on 1st Floor, Mapletree Logistics Hub Tsing Yi, 30 Tsing Yi Road, Tsing Yi, New Territories, Hong Kong.
Term	A fixed term of five (5) years commencing on 23 September 2024 and expiring on 22 September 2029 (both days inclusive) together with an option to renew for a further term of five (5) years as set out below.
Option to renew	The Landlord shall grant to YA Logistics an option to renew the Lease for a further term of five (5) years commencing on 23 September 2029 and expiring on 22 September 2034 (both days exclusive), exercisable at the sole discretion of YA Logistics by serving on the Landlord an exercise notice in writing not more than ten months but not less than nine months before the expiry date of the fixed term of the Lease. The rent for the further term shall be reviewed with reference to the open market rent, subject to a maximum cap of 20% over the average rent of fixed term.
Rent	<p>The rent for the Premises (exclusive of management charges, rates and other outgoings, which are separately payable by YA Logistics) shall be payable monthly in advance on the first day of each calendar month during the fixed term as follows:</p> <ul style="list-style-type: none"><li>– Approximately HK\$2,433,000 per month from 23 September 2024 to 22 September 2027 (both days inclusive);</li><li>– Approximately HK\$2,448,000 per month from 23 September 2027 to 22 September 2028 (both days inclusive); and</li><li>– Approximately HK\$2,463,000 per month from 23 September 2028 to 22 September 2029 (both days inclusive),</li></ul> <p>during which there is a lease incentive of rent-free period of seven (7) months.</p> <p>The rent will be financed by internal resources of the Group.</p>

Security Deposit	A security deposit in the amount of approximately HK\$14,345,000 which is equivalent to the aggregate of 5 months' rent, service charge, government rent and rates shall be payable by YA Logistics upon the execution of the formal Lease. The security deposit shall be retained by the Landlord throughout the term without payment of interest and may be adjusted by the Landlord according to any increase of rent, service charge, government rent and rates.
Initial Deposit	Upon issuing of the Letter of Offer, an initial cash deposit (“ <b>Initial Deposit</b> ”) in the sum of approximately HK\$3,256,000 has been provided by YA Logistics to the Landlord which shall be treated as advance payment under the formal Lease upon execution of the formal Lease.
Lease	The Landlord and YA Logistics shall enter into a formal Lease in respect of the Premises in accordance with a notice in writing from the Landlord or its solicitors which shall contain the terms in the Letter of Offer and other terms and conditions to be mutually agreed between the parties. If the Landlord and YA Logistics fail to enter into the Lease, the Landlord may either (i) stamp the Letter of Offer, thereby deeming the Lease to have been signed and to be enforceable against the parties, or (ii) terminate the Letter of Offer immediately by seven days written notice, whereupon the Initial Deposit shall be forfeited to the Landlord, as and for liquidated damages, but without prejudice to any other right or remedy.

The terms of the Letter of Offer, including but not limited to the consideration payable, were determined after arm's length negotiations between the Landlord and YA Logistics with reference to the prevailing market rent for comparable properties of similar type, age and location.

## **INFORMATION OF THE GROUP AND THE LANDLORD**

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

YA Logistics is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in the provision of logistics and warehouse services.

Based on information provided by the Landlord, the Landlord is a company incorporated in Hong Kong with limited liability and is principally engaged in industrial property development and is a subsidiary under the control of Mapletree Investments Pte Ltd, a real estate company based in Singapore. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LETTER OF OFFER**

The Premises have gross area of approximately 147,468 square feet and will be used by the Group as its additional logistics hub and fulfillment centre in Hong Kong for the Group's online retailing and wholesales business.

The Group leased the premises at 13th Floor of Goodman Interlink, 39 Tsing Yi Road, Tsing Yi, Hong Kong with gross area of approximately 137,525 square feet ("**Goodman Warehouse**") for establishment of the first autonomous mobile robotics ("**AMR**") warehouse for fulfillment purposes which was deployed in October 2022. For the year ended 31 December 2023, the percentage of outsourced warehouse labour charges and warehouse wages in aggregate to revenue significantly improved to approximately 3.5% (2022: 5.2%) and thus the deployment of the AMR system successfully achieved an annual savings of approximately US\$3,374,000 or 32.5% reduction in labour cost.

Further, the Group recorded an annual revenue of approximately US\$201,339,000 for the year ended 31 December 2023, representing a growth of approximately 56.6% compared to that for the year ended 31 December 2022. It was driven by the increase in both the number of sales orders received and the average order size.

To satisfy the growing demand for products of the Group, the Group will expand its fulfillment capacity by establishing a second AMR fulfilment centre on the Premises which will enable the Group to increase operational efficiency and fulfil an even larger number of customer orders with less manpower.

The Directors (including the independent non-executive Directors) consider that the terms of the Letter of Offer are fair and reasonable, are entered into on normal commercial terms and in the ordinary and usual course of business of the Group and are in the interests of the Group and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to HKFRS 16, the Group will be required to recognise the value of the right-of-use asset in connection with the leasing of the Premises in its consolidated statement of financial position. Accordingly, the transaction contemplated under the Letter of Offer will be regarded as an acquisition of assets by the Group for the purpose of Rule 14.04(1)(a) of the Listing Rules. It is estimated that the value of the right-of-use asset to be recognised by the Company under the Letter of Offer will be approximately US\$14,337,000 (unaudited). Shareholders should note that the estimated value of right-of-use asset is unaudited and may be subject to adjustment in the future.

As one of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) in respect of the transaction contemplated under the Letter of Offer exceeds 25% but is less than 100%, the transaction contemplated under the Letter of Offer constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **EGM AND DESPATCH OF CIRCULAR**

An EGM will be convened for the Shareholders to consider, and if thought fit, approve the Letter of Offer and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Letter of Offer and the transactions contemplated thereunder, and no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, (i) details of the Letter of Offer; (ii) the notice of EGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 14 June 2024 (which is beyond 15 business days after publication of this announcement), as additional time is required to prepare and finalise certain information to be included in the circular.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	YesAsia Holdings Limited (喆麗控股有限公司), a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange (stock code: 2209)
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if appropriate, approve, among others, the Letter of Offer
“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”	the 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”	Mapletree TY (HKSAR) Limited, a company incorporated in Hong Kong with limited liability
“Lease”	the lease to be entered into between YA Logistics (as tenant) and the Landlord (as landlord) pursuant to the Letter of Offer for the leasing of the Premises
“Letter of Offer”	the letter of offer executed by YA Logistics (as tenant) and accepted by the Landlord (as landlord) on 17 May 2024 for the leasing of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Premises”	Warehouse Unit 1, 2 and 3, SIXTEEN (16) carpark lots L101 to L112, P101 to P104 on 1st Floor, Mapletree Logistics Hub Tsing Yi, 30 Tsing Yi Road, Tsing Yi, New Territories, Hong Kong
“Shareholder(s)”	holder(s) of the shares in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary/subsidiaries”	any entity which falls within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly
“US\$”	United States Dollars, the lawful currency of the United States of America
“YA Logistics”	YA Logistics Limited (喆麗物流有限公司), 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, 17 May 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.*