2023
ANNUAL REPORT

YesAsia Holdings Limited

(Incorporated in Hong Kong with limited liability)

Stock Code : 2209

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Kwok Chu (劉國柱) *(Chief Executive Officer)*
Ms. Chu Lai King (朱麗琼) *(Chairperson)*
Mr. Chu Kin Hang (朱健恒)

Non-executive Directors

Mr. Lui Pak Shing Michael (雷百成)
Mr. Hui Yat Yan Henry (許日昕)
Mr. Poon Chi Ho (潘智豪)

Independent Non-executive Directors

Mr. Chan Yu Cheong (陳汝昌)
Mr. Sin Pak Cheong Philip Charles (冼栢昌)
Mr. Wong Chee Chung (王子聰)

AUDIT COMMITTEE

Mr. Wong Chee Chung (王子聰) *(Chairman)*
Mr. Hui Yat Yan Henry (許日昕)
Mr. Sin Pak Cheong Philip Charles (冼栢昌)
Mr. Chan Yu Cheong (陳汝昌)

REMUNERATION COMMITTEE

Mr. Chan Yu Cheong (陳汝昌) *(Chairman)*
Mr. Poon Chi Ho (潘智豪)
Mr. Wong Chee Chung (王子聰)
Mr. Sin Pak Cheong Philip Charles (冼栢昌)

NOMINATION COMMITTEE

Mr. Sin Pak Cheong Philip Charles (冼栢昌) *(Chairman)*
Mr. Chu Kin Hang (朱健恒)
Mr. Chan Yu Cheong (陳汝昌)
Mr. Wong Chee Chung (王子聰)

COMPANY SECRETARY

Mr. Ng Sai Cheong (伍世昌)

AUTHORISED REPRESENTATIVES

Mr. Lau Kwok Chu (劉國柱)
Mr. Ng Sai Cheong (伍世昌)

AUDITOR

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor
29th Floor
Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

HEAD OFFICE AND REGISTERED OFFICE IN HONG KONG

5/F., KC100, 100 Kwai Cheong Road
Kwai Chung, New Territories,
Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAWS

Ronald Tong & Co.

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

PRINCIPAL BANKERS

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

STOCK CODE

2209

CORPORATE WEBSITE

www.yesasiaholdings.com

SHOPPING WEBSITES

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

"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
"Articles"	Articles of Association of the Company
"*AsianBeautyWholesale*"	the AsianBeautyWholesale platform with its website at *www.AsianBeautyWholesale.com*
"Audit Committee"	the audit committee of our Company
"Board" or "Board of Directors"	the board of directors of our Company
"CG Code"	Corporate Governance Code as amended from time to time contained in Appendix C1 to the Listing Rules
"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))
"Code Provisions"	code provisions set out in the CG Code
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"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
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and, in the context of this annual report, refers to Mr. Lau and Ms. Chu
"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

DEFINITIONS AND GLOSSARY

"Group", "our Group", "we" or "us"	our Company and its subsidiaries or, where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKT Group"	HKT Limited, together with its subsidiaries
"HKT Limited"	HKT Limited (a company the share stapled units of which that are jointly issued with the HKT Trust are listed on the Main Board of the Stock Exchange (Stock Code: 6823))
"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 Date"	9 July 2021, on which the Shares are first listed and from which dealings in the Shares are permitted to take place on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"Mr. Chan"	Mr. Chan Yu Cheong, an Independent Non-executive Director
"Mr. Chu"	Mr. Chu Kin Hang, brother-in-law of Mr. Lau and brother of Ms. Chu, an executive Director
"Mr. Hui"	Mr. Hui Yat Yan Henry, a Non-executive Director
"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
"Mr. Lui"	Mr. Lui Pak Shing Michael, one of the founders of our Group, a Non-executive Director, one of our Shareholders
"Mr. Poon"	Mr. Poon Chi Ho, a Non-executive Director

"Mr. Sin"	Mr. Sin Pak Cheong Philip Charles, an Independent Non-executive Director
"Mr. Wong"	Mr. Wong Chee Chung, an Independent Non-executive Director
"Ms. Chu"	Ms. Chu Lai King, one of the founders of our Group, an executive Director, Chairperson and one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of the Board
"Offline wholesale"	YesAsia.com Japan Kabushiki Kaisha (iesu asia dotto comu japan kabushiki kaisha)
"PCCW"	PCCW Limited (a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 0008))
"PCCW e-Ventures"	PCCW e-Ventures Limited, an indirectly wholly-owned subsidiary of PCCW, and held 39,704,030 shares of the Company, representing approximately 9.99% of the total number of issued shares of the Company as at 31 December 2023
"PCCW Group"	PCCW, together with its subsidiaries
"pp"	percentage point
"Pre-IPO Share Option Schemes"	YesAsia Holdings 2005 General Stock Option Plan and YesAsia Holdings 2016 General Stock Option Plan, being the two pre-IPO share option schemes of the Company approved and adopted by the Company on 2 June 2005 and 30 June 2016, respectively, particulars of which are set out in "Report of the Directors" to this annual report
"Prior Year"	the year ended 31 December 2022
"Prospectus"	prospectus of the Company dated 28 June 2021
"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
"Remuneration Committee"	the remuneration committee of our Company
"Reporting Year"	the year ended 31 December 2023

DEFINITIONS AND GLOSSARY

"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
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share Option Schemes"	the Pre-IPO Share Option Schemes and the Post-IPO Share Option Scheme
"Share Split"	the subdivision of one Share of the Company into ten shares of the Company pursuant to the resolutions passed by the Shareholders on 9 June 2021
"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
"The First Founding Investor"	the first investor who provides the seed funding for a start-up company
"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 *YesAsia platform* with its website at *www.YesAsia.com*
"*YesStyle*" or *"YesStyle Platforms"*	the YesStyle platforms, which include the website at *www.YesStyle.com* and the *YesStyle* Mobile apps

The financial information contained in this five–year financial summary does not constitute the Company's statutory annual consolidated financial statements for any of the financial years ended 31 December 2023, 2022, 2021, 2020, and 2019, but is derived from those published audited consolidated financial statements and the Prospectus, and restated upon the adoption of the new or amended accounting standards and interpretations as appropriate. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

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

The Company's auditor has reported on these consolidated financial statements for all five 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 either sections 406(2), 407(2) or (3) of the Companies Ordinance.

	2023 ***US$'000***	2022 *US$'000*	2021 *US$'000*	2020 *US$'000*	2019 *US$'000*
Revenue	**201,339**	128,592	162,018	173,319	117,589
Profit/(loss) for the year	**7,572**	(6,782)	(2,065)	11,220	3,369
Total assets	**74,485**	63,722	69,887	63,377	33,457
Total liabilities	**(39,431)**	(36,585)	(33,600)	(40,923)	(20,648)
Net assets	**35,054**	27,137	36,287	22,454	12,809

KEY HIGHLIGHTS

	Year ended 31 December		
	2023 (Audited) *US$'000*	2022 (Audited) *US$'000*	Change *(%)*
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%.

	Year ended 31 December		
E-commerce Platforms[(1)]	**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.

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

Dear Shareholders,

We are pleased to present you with the 2023 YesAsia Holdings Annual Report highlighting the Company's significant business turnaround and operational improvements. Our new focus on beauty products, the expansion of our digital marketing programs, and the fast growth of our *AsianBeautyWholesale* (ABW) B2B business were among the major drivers behind this successful transformation.

REVENUE GROWTH AND PROFITABILITY

It delights us to announce that in 2023, YesAsia Holdings achieved record high annual revenue of approximately US$201,339,000, representing remarkable growth of approximately 56.6% compared to the Prior Year's revenue of approximately US$128,592,000. Furthermore, the Group generated profit of approximately US$7,572,000 in 2023, a significant improvement from the loss of approximately US$6,782,000 incurred in 2022.

YESSTYLE RECOVERY

YesStyle, our flagship E-commerce platform, played a pivotal role in driving the Group's overall revenue growth. In January 2023, we changed our strategy to focus on beauty products and implemented a new front page. This strategic shift, combined with promotional campaigns and expansion of our digital marketing programs, resulted in a substantial increase in *YesStyle*'s revenue from approximately US$109,934,000 in 2022 to approximately US$158,655,000 in 2023, which represents an increase of approximately 44.3%.

Our current goal is for *YesStyle* to become the leading online platform for global purchases of Asian beauty products, with a focus on the continued expansion of the Korean beauty phenomenon to many more countries.

FAST GROWTH OF *ASIANBEAUTYWHOLESALE* (ABW) B2B PLATFORM

ABW, our B2B platform catering to global business customers looking to source beauty products from Asia, experienced extraordinary growth in 2023. ABW benefitted significantly from the increasing popularity of Korean beauty products worldwide. We witnessed ABW's revenue surge from approximately US$11,601,000 in 2022 to US$38,788,000 in 2023, a staggering growth of approximately 234.4%.

To improve our services and our value to business customers, we deployed a number of new features on the ABW website in 2023. For example, we increased the number of beauty brands available on the platform, offered more bestselling products in our "Bulk Box" option for business customers to purchase products in greater quantities, and improved the processing efficiency of business customer orders.

We also worked with more brands to offer free sample products to business customers. Many business customers find this offer attractive as it facilitates them to promote and sell new brands and products in their retail channels.

BEAUTY REVENUE GROWTH AND UNITED KINGDOM ("UK")/EUROPEAN MARKET RECOVERY

Thanks to *YesStyle*'s successful beauty product strategy and ABW's rapid growth, our beauty revenue saw a remarkable increase of over 133.2%, from approximately US$69,568,000 in 2022 to approximately US$162,230,000 in 2023. Revenue contributed by beauty products as a percentage of total revenue increased from approximately 54.1% in 2022 to approximately 80.6% in 2023. Furthermore, we observed significant improvements in the UK and European markets, with UK and European countries revenue growing by approximately 83.5% and 126.1% respectively in 2023.

THE OPPORTUNITY OF GLOBAL KOREAN BEAUTY ("K-BEAUTY") BRANDS AND PRODUCTS

We are thrilled to witness the growing popularity of K-Beauty brands and products in the global market, particularly in regions such as the US, the UK, Canada, Australia and Europe. According to one recent study, the global K-Beauty market is growing at an annual rate of 9.2%, and will reach US$18.32 billion by 2030. The K-Beauty market has shown significant growth, and we are actively capitalizing on this trend.

This surge in K-Beauty's popularity can be attributed to the exceptional quality and innovation of K-Beauty products, and the increasing number of new K-Beauty brands and products targeting the global beauty market with their moisturizing, brightening and cleansing effects etc. Also, many K-Beauty products are made with natural ingredients that are gaining favour from customers.

We continue to proactively invite more K-Beauty brands to join our platforms. During 2023, we became authorized distributors of 14 additional brands from LG H&H, including O HUI, su:m37, VDL and Sooryehan; and 5 more brands from CJ Olive Young Corporation, namely IDEAL FOR MEN, fillimilli, colorgram, ROUND A'ROUND and BIOHEAL BOH. We also added one more brand, espoir, from Amorepacific Corporation. Overall, the total number of our K-Beauty partner brands increased from 430 in 2022 to 448 in 2023.

DIGITAL MARKETING UPDATE

The Company operates a number of digital marketing programs that have proven to be effective at promoting Asian beauty brands and products to younger online consumers. We have successfully implemented several trendsetting digital marketing programs, including the *YesStyle* Influencer Program.

Since its launch in 2019, the *YesStyle* Influencer Program has engaged an increasing number of influencers worldwide to promote *YesStyle* products to their followers. In 2023, revenue referred by influencers increased to approximately US$40,422,000 from approximately US$21,901,000 in 2022, representing a growth of approximately 84.6%. The contribution of influencer-referred revenue to total *YesStyle* revenue also increased from approximately 19.9% in 2022 to approximately 25.5% in 2023.

The number of influencers in the *YesStyle* Influencer Program grew from approximately 279,000 in 2022 to approximately 333,000 in 2023. Notably, we observed a significant increase in TikTok influencers, with their number growing from approximately 44,000 in 2022 to approximately 72,000 in 2023. We continue to encourage creativity in our team, which launched many innovative social media campaigns to engage our vibrant influencer communities.

Additionally, we have seen positive results from our loyalty program and CRM initiatives. Our loyalty program, the *YesStyle* Elite Club, experienced substantial growth, with the number of members reaching approximately 11,617,000 by the end of 2023, compared to approximately 8,272,000 in 2022.

We leveraged our CRM system in 2023 to manage our growing loyalty program efficiently, offer personalized shopping experiences, and increase member retention. For example, a new CRM journey was deployed to promote newly arrival beauty products to customers with previously tracked interest. Similarly, another CRM journey notifies customers when products they previously showed interest in are on sale. As a result of these campaigns, CRM-assisted revenue grew from approximately US$14,892,000 in 2022 to approximately US$26,023,000 in 2023, representing a growth of approximately 74.7%.

LOGISTICS UPDATE

We are continuously improving our fulfilment capabilities to achieve cost savings and operational efficiency. During 2023, we further enhanced the AMR (Autonomous Mobile Robot) system that we deployed the previous year. The AMR system, together with its enhancements, significantly reduced labour costs as a percentage of revenue from approximately 5.2% to approximately 3.5%. This reflects our team’s ability to execute and to achieve returns on our technology-related investments. In addition, the AMR system received the 2022 Most Innovative Solutions Award from Business Innovator, a business content media platform.

DIVIDEND

The Board declared a final dividend payment of HK5.0 cents per Share.

AWARDS AND RECOGNITIONS

Our achievements in the Reporting Year have been recognized by the following awards and recognitions:

The Most Innovative E-Commerce Platform of the Year Winner by Business Innovator

"Best Creative Shorts" award from the YouTube Works Awards, Hong Kong 2023

HR Distinction Awards 2023: Gold Award for Excellence in HR Digital Transformation, Silver Award for HR Team of the Year, and Bronze Award for Excellence in Learning & Development

Second runner-up in the 15km Corporate Relay (Mixed Group) category at the UNICEF Charity Run 2023

OUTLOOK

Looking ahead, we believe that YesAsia Holdings is well-positioned to capitalize on the continuing growth of the global beauty market, particularly the K-Beauty segment. We plan to further expand our brand portfolio and partnerships, enabling us to offer a wider range of new and high-quality products to our customers. Our focus will be on strengthening our presence in key markets, such as the US, the UK, Canada and Europe, while also exploring new growth opportunities in emerging markets.

Since early 2023, with the recovery of business and leisure travel after the COVID-19 pandemic, the number of flights into and out of Hong Kong has risen significantly. We have observed that freight costs are trending down along with an increase in overall cargo capacity.

During 2023, we continued to focus on cost-saving measures to keep our operations lean and agile. The AMR system not only increased operational efficiency, it enabled us to fulfil the increasing number of customer orders with less manpower. The total headcount of the Group was reduced from 489 at the end of 2022 to 454 at the end of 2023, while we experienced an increase of over 50% in revenue.

The Group will continue to invest in its digital marketing strategies, and leverage on our influencers and social media platforms to reach and engage with our target audience effectively. Furthermore, we will continue to enhance our logistics capabilities to ensure efficient order processing and timely delivery, and continue providing good customer experience.

In conclusion, we are proud to share YesAsia Holdings' remarkable accomplishments in 2023. Our new strategic focus on beauty products and the exceptional growth of our ABW B2B platform have significantly contributed to our improved financial returns. Given the success of this strategy, we are ready to devote more resources to expanding our business and investing in emerging opportunities that we are confident in sustaining our growth and profitability in the coming years.

We would like to express our gratitude to our shareholders for their continuous support and belief in YesAsia Holdings. We would also like to extend our appreciation to our dedicated employees whose hard work and commitment have been instrumental to our successful turnaround in 2023.

Thank you once again for your trust and confidence in YesAsia Holdings.

Lastly, we would like to share a quote from Tao Te Ching, Chapter 33, which inspires us to improve our leadership in the Company:

"Knowing others is intelligence;

knowing yourself is true wisdom.

Mastering others is strength;

mastering yourself is true power.

If you realize that you have enough, you are truly rich.

Perseverance is a sign of willpower.

One who remains is one who endures."

"知人者智，自知者明。勝人者有力，自勝者強。知足者富。強行者有志。不失其所者久。"

We hope 2024 brings good health, happiness and many blessings to you and your families.

Priscilla CHU Lai King
Founder and Chairperson

Joshua LAU Kwok Chu
Founder and CEO

28 March 2024

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 SimilarWeb[1] and Semrush[2] 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				
	2023		2022		
	US$'000	***As % of total revenue***	*US$'000*	*As % of total revenue*	*Change (%)*
Fashion & lifestyle and beauty products					
– *YesStyle Platforms*	**158,655**	**78.8**	109,934	85.5	44.3
– *AsianBeautyWholesale*	**38,788**	**19.3**	11,601	9.0	234.4
	197,443	**98.1**	121,535	94.5	62.5
Entertainment products					
– *YesAsia Platform*	**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 (Audited)	**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				
	2023		2022		
	US$'000	**As % of revenue**	*US$'000*	*As % of revenue*	*Change (%)*
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 (Audited)	**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				
	2023		2022		
	US$'000	**Gross Profit Margin (%)**	*US$'000*	*Gross Profit Margin (%)*	*Change (%)*
Fashion & lifestyle and beauty products					
– *YesStyle Platforms*	**52,241**	**32.9**	38,044	34.6	37.3
– *AsianBeautyWholesale*	**8,969**	**23.1**	2,942	25.4	204.9
	61,210	**31.0**	40,986	33.7	49.3
Entertainment products					
– *YesAsia Platform*	**600**	**22.1**	1,096	20.6	(45.3)
– Offline wholesale	**–**	**–**	66	8.1	(100.0)
	600	**22.1**	1,162	19.0	(48.4)
Logistics services	**888**	**75.4**	578	61.6	53.6
Total (Audited)	**62,698**	**31.1**	42,726	33.2	46.7

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				
	2023		2022		
	US$'000	***As % of revenue***	*US$'000*	*As % of revenue*	*Change (%)*
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 (Audited)	**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		
	US$'000	***As % of revenue***	*US$'000*	*As % of revenue*	*Change (%)*
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 (Audited)	**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 (i.e. South Korean Won, Japanese Yen, British Pound Sterling, Renminbi and Euro, etc) other than the functional currency of our Group (i.e. 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 38 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 report, the Group did not have any future plans for material investments or capital assets in the coming year.

MATERIAL ACQUISITIONS, DISPOSALS AND FUTURE PLANS FOR SUBSIDIARIES

During the year ended 31 December 2023 and as of the date of this report, 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.

EXECUTIVE DIRECTORS

Mr. LAU Kwok Chu (劉國柱), aged 49, is our Executive Director, Chief Executive Officer and Co-Head of the YesStyle business unit. Mr. Lau has over 20 years of experience in E-commerce business and digital marketing. He co-founded our Group with Ms. Chu in December 1997. He has been our Director since 26 April 2005. Mr. Lau also serves as director of YesStyle.com Limited, YesAsia.com Limited, AsianBeautyWholesale (Hong Kong) Limited (formerly known as YesAsia Trading (Hong Kong) Limited) and a number of our subsidiaries. Prior to founding our Group, Mr. Lau served as an analyst within the Consumer Investment Management Division of the Goldman Sachs Group, Inc. from July 1996 to July 1998. Mr. Lau is the spouse of Ms. Chu and is the brother-in-law of Mr. Chu Kin Hang.

Mr. Lau obtained his bachelor's degree of arts in economics, conferred with distinction from Stanford University in California, the United States in June 1996. Mr. Lau received the Asia Pacific Entrepreneurship Award in the E-commerce category awarded by Enterprise Asia in September 2017.

Ms. CHU Lai King (朱麗琼), aged 53, is our Executive Director, Chairperson and Vice President of Operations. Ms. Chu has over 20 years of experience in E-commerce, logistics and operations. She co-founded our Group with Mr. Lau in December 1997. She has been our Director since 26 April 2005. Ms. Chu also serves as director of YesStyle.com Limited, YesAsia.com Limited and a number of our subsidiaries. Prior to founding our Group, Ms. Chu served as a programmer analyst with Municipal Resource Consultants in California from May 1993 to July 1998. Ms. Chu is the spouse of Mr. Lau and is the sister of Mr. Chu Kin Hang.

Ms. Chu obtained her bachelor's degree of science, majoring in business administration in computer application and option systems and a master's degree in business administration from the California State University in Fresno, the United States in December 1992 and August 1997 respectively.

Mr. Chu Kin Hang (朱健恒), aged 49, is our Executive Director and Vice President of Content. He joined our Group in May 1998, serving as our Design Manager until March 2003. He was re-designated as our Design and Production Director from April 2003 to March 2015. Mr. Chu has been serving as our Vice President of Content since April 2015.

Mr. Chu obtained his bachelor of engineering majoring in electronics engineering from the Chinese University of Hong Kong in Hong Kong in December 1998.

Mr. Chu is the brother-in-law of Mr. Lau and brother of Ms. Chu.

NON-EXECUTIVE DIRECTORS

Mr. LUI Pak Shing Michael (雷百成), aged 59, is our Non-executive Director. He has been designated as The First Founding Investor of the Company since 1998. He has been a Director since 2006. Prior to joining our Group, Mr. Lui served as president from July 1995 to July 2012 and as director from July 1979 to July 2012 with Tang Fat Enterprises Company Inc. Mr. Lui also served as special projects superintendent from May 1987 to December 1992 with American Realty and Construction Inc.

Mr. Lui obtained his bachelor's degree of science in business administration from the University of San Francisco in the United States in December 1985.

Mr. HUI Yat Yan Henry (許日昕), aged 59, is our Non-executive Director. He has been our Director since 22 March 2007. He is currently serving as senior vice president of the business development unit of PCCW since November 2011. He was the chief financial officer of Cascade Limited, a wholly-owned subsidiary of the PCCW Group and in charge of financial and accounting function of the international projects unit of the PCCW Group from August 2006 to November 2011. He joined the ventures unit of Pacific Century Cyber Works Limited (now known as PCCW Limited) since March 2000. Mr. Hui also serves as a director in a number of subsidiaries in the PCCW Group and HKT Limited.

Prior to joining the PCCW Group, Mr. Hui served as a direct investment manager from July 1997 to December 1998 and as China retail fund manager from December 1998 to March 2000 with AIG Investment Corporation (Asia) Ltd. Prior to his career as a financier, Mr. Hui served as a system engineer with Asia Satellite Telecommunications Company Limited from March 1993 to April 1995. Mr. Hui also served as an associate engineer with IBM from February 1990 to March 1993.

Mr. Hui obtained his bachelor's degree of science with special honors, majoring in Electrical and Computer Engineering from the University of Colorado in the United States in December 1989 and his master's degree with academic excellence in business administration from the University of Illinois in the United States in May 1997. He was a member of Tau Beta Pi and Beta Gama Sigma, an honor society for engineering and business, since April 1988 and November 1996 respectively.

Mr. POON Chi Ho (潘智豪), aged 56, is our Non-executive Director. He has been our Director since 25 June 2009. Mr. Poon joined the PCCW Group as a management trainee in August 1989 and has been serving as the Chief Financial Officer of HKT Limited since May 2022. He also holds a number of positions within the PCCW Group, including as director in a number of subsidiaries in both the PCCW Group and the HKT Group.

Mr. Poon obtained his bachelor's degree in business studies from the Hong Kong Polytechnic University in Hong Kong in November 1989. He also obtained his associate membership with the Hong Kong Society of Accountants since December 1995.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Yu Cheong (陳汝昌), aged 43, has been appointed as an Independent Non-executive Director of our Company on 17 August 2020. Mr. Chan is currently serving as director with a number of companies, namely, Resonance Capital Ltd. since September 2016, Youth Arch Foundation Ltd. from September 2016 to September 2022, Visual Squares Ltd. since April 2011 and Savantas Policy Institute Ltd. since April 2009. He also served on the Enterprise Support Scheme Assessment Panel under the Innovation and Technology Commission of the Hong Kong Government from July 2015 to June 2021. Prior to returning to Hong Kong in 2010, Mr. Chan worked as a software engineer in a number of technology companies in Silicon Valley, including Google from December 2004 to July 2010 and Neopath Networks (acquired by Cisco Systems in April 2007) from August 2003 to December 2004.

Mr. Chan obtained his bachelor's degree of science in computer science, conferred with distinction, and master's degree of science in computer science from Stanford University in California, the United States in April 2003. Mr. Chan received the Frederick Emmons Terman Engineering Scholastic Award for being the top five percent of the undergraduate senior engineering class.

Mr. SIN Pak Cheong Philip Charles (冼栢昌), aged 48, has been appointed as an Independent Non-executive Director of our Company effective on 17 August 2020. Mr. Sin is currently serving as head of capital markets and corporate development of Belief BioMed Limited since April 2022. He was previously chief financial officer of HiFiBiO Therapeutics from November 2020 to August 2021. Mr. Sin was managing director of Orient Securities Investment Bank Co. Ltd. (formerly Citi Orient Securities Company Limited) from March 2013 to November 2020. Mr. Sin was director of Greater China investment banking with Citigroup Global Markets Asia Limited ("**Citigroup**") from September 2009 to February 2013. Prior to his work with Citigroup, he also served in various roles for UBS Group AG (a company listed on NYSE (Ticker: UBS) and SIX Swiss Exchange (Symbol: UBSG)), Deutsche Bank AG (a company listed on NYSE (Ticker: DB) and BER (Symbol: DBK)), Morgan Stanley Asia Ltd. and Chase Securities Inc..

Mr. Sin obtained his bachelors of arts degree in economics and Asian studies conferred with magna cum laude from Dartmouth College in the United States in June 1997.

Mr. WONG Chee Chung (王子聰), aged 47, has been appointed as an Independent Non-executive Director of our Company on 17 August 2020. Mr. Wong is currently serving as an executive director with Agenda Corp Limited since April 2018 and with Double U Limited since April 2016. Mr. Wong is currently serving as an independent non-executive director of Ying Kee Tea House Group Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 8241)) since March 2018. Mr. Wong is also an audit director at a CPA firm called Wong Chee Chung CPA. Prior to that, Mr. Wong had been working in PricewaterhouseCoopers in its Hong Kong office for about eight years and its London office for about two years.

Mr. Wong obtained his bachelor of business administration in accounting and finance from the University of Hong Kong in December 1998 and master of science in financial analysis from the Hong Kong University of Science and Technology in June 2015. Mr. Wong has been a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants since July 2014 and October 2009 respectively.

SENIOR MANAGEMENT

Mr. WAN Siu Chung (溫兆聰) ("Mr. Wan"), aged 47, is our Vice President of Information Technology. He joined our Group in June 2000 as our Programmer until August 2001. He held multiple positions within our Group including, System Analyst, Application Manager, Development Manager, Information Technology Operation Support Director and Director of Information Technology from September 2001 until March 2018.

Mr. Wan obtained his bachelor of science degree from the Chinese University of Hong Kong in Hong Kong in December 2000 and his master of business administration from the Chinese University of Hong Kong in Hong Kong in December 2010. Mr. Wan obtained his certificate as a project management professional from the Project Management Institute in the United States in January 2014 and his Information Technology Infrastructure Library (ITIL) foundation certificate in IT service management from Axelos and EXIN through attending online courses in December 2016.

Ms. KIM In Sook ("Ms. Kim"), aged 59, is our Vice President of Business Development. She is also serving as General Manager of our South Korean Office. She joined our Group in August 2001. Ms. Kim has held multiple positions within our Group including Korean Product Manager, Senior Product Manager, Product Director and Deputy General Manager of the South Korean Office from April 2002 to April 2018. Prior to joining our Group, Ms. Kim served as an interpreter for DLiA Consortium from October 2000 to March 2001. Ms. Kim also served as an export manager with Taewon International Corp., a footwear export and import company, in their Hong Kong office from August 1995 to August 1996 and their Seoul office from April 1988 to July 1995.

Ms. Kim obtained her bachelor's degree in English studies from the Portsmouth University in the United Kingdom in June 1998 and her master's degree of science in tourism management and marketing from the Bournemouth University in the United Kingdom in March 2000.

Mr. Erik HOHMANN ("Mr. Hohmann"), aged 49, is the Vice President of Marketing of our Company. He joined our Group in April 2018, serving as Marketing Director until March 2019. Prior to joining our Group, he served as the director of marketing and sales at Milkyway Distribution Ltd., a global E-commerce company in Hong Kong from January 2018 to April 2018. Mr. Hohmann also served as the general manager at Wild At Heart Limited, a digital marketing agency in Hong Kong from January 2016 to January 2018. He served as the head of E.U. sales and marketing for MedicAnimal Ltd., an E-commerce pet healthcare product retailer based in London from February 2011 to September 2015. He joined DFS Air Navigation services in Germany as senior business development manager from January 2005 to February 2011. He also served as investment manager for BLS Venture Capital in Berlin from April 2002 to December 2004. Mr. Hohmann served as an assistant to the general manager at TFG Venture Capital in Berlin from February 2000 to March 2002. He worked at Landes Bank in Berlin from August 1992 to March 1995.

Mr. Hohmann obtained his Diplom-Kaufmann in business administration from Humboldt University in Berlin, Germany in January 2002.

Mr. NG Sai Cheong (伍世昌) ("Mr. Ng"), aged 47, is our Chief Financial Officer and Company Secretary. He joined our Group in December 2018. Prior to joining our Group, Mr. Ng held multiple senior management with Kwan On Holdings Limited (a company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1559)) from August 2012 to December 2018, including as financial controller from August 2012 to February 2018, and with his last positions as the chief financial officer and company secretary. Mr. Ng joined Top Express Holdings Limited as accounting manager between September 2009 and April 2012 and his last position was as chief financial officer. Mr. Ng joined Beauty China Holdings Limited (a company formerly listed on the Singapore Exchange (Stock Code: B15.SG)), as accounting manager from October 2003 to October 2007 and he served as assistant financial controller from October 2007 to August 2009. Mr. Ng served as a senior accountant and staff accountant in the Assurance and Advisory Business Services department of Ernst & Young Hong Kong from October 2002 to September 2003 and February 2001 to September 2002, respectively. Mr. Ng also served as an auditor with Charles Chan, Ip & Fung CPA Limited (currently known as CCIF CPA Limited), Certified Public Accountants from April 2000 to February 2001. Mr. Ng served as an audit graduate and subsequently as a semi-senior auditor with Lee Sik Wai & Co, Certified Public Accountants in Hong Kong from June 1998 to April 2000.

Mr. Ng served as an independent non-executive director of Royal Catering Group Holdings Company Limited (a company listed on GEM of the Hong Kong Stock Exchange (Stock Code: 8300)) from August 2018 to November 2023. Mr. Ng has been serving as executive director of Indigo Star Holdings Limited (a company listed on GEM of the Hong Kong Stock Exchange (Stock Code: 8373)) since April 2017.

Mr. Ng obtained his bachelor of business administration degree in accounting from The Hong Kong University of Science and Technology in Hong Kong in November 1998 and his master of corporate governance degree from Hong Kong Metropolitan University in June 2007. He has been an associate of The Hong Kong Chartered Governance Institute since September 2007, an associate of The Hong Kong Institute of Certified Public Accountants from March 2003 to February 2022 and a fellow member of the Association of Chartered Certified Accountants since July 2020.

Ms. FUNG Man Yee Joyce (馮敏儀) ("Ms. Fung"), aged 48, is our Vice President of Consumer Business and Co-Head of the YesStyle business unit. She joined our Group in October 2020. Prior to joining our Group, Ms. Fung served as vice president, operations for K11 Concepts Limited (a member of New World Development Company Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 17)) from August 2019 to February 2020. Ms. Fung rejoined and held multiple senior management roles with the Lane Crawford Joyce Group from April 2016 to May 2019, including chief commercial officer of ImagineX Management Company Limited and chief operating officer of Walton Brown (Hong Kong) Limited. From August 2010 to April 2015, Ms. Fung was executive director of the corporate finance department and investment management division of Goldman Sachs (Asia) L.L.C.. Ms. Fung also served as the group chief financial officer and strategic planning of John Hardy International Limited from September 2008 to May 2010. Ms. Fung also served as the corporate development director of the Lane Crawford Joyce Group from September 2006 to August 2008. Ms. Fung also held various investment banking roles at Goldman Sachs (Asia) L.L.C. and Credit Suisse (formerly known as Donaldson, Lufkin & Jenrette) in Hong Kong, London and New York between 1997 and 2006.

Ms. Fung obtained her bachelors of science in economics with magna cum laude honors from the Wharton School at the University of Pennsylvania in the United States in May 1997. Ms. Fung obtained her master in business administration degree from the Harvard Business School in the United States in June 2002.

The Board is pleased to present the Corporate Governance Report of the Company for 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.

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.

THE BOARD

(i) Responsibilities

The Board is accountable to Shareholders for the long-term performance of the Company and is responsible for the overall leadership of the Group. The Board steers and oversees the management of the Company including establishing the strategic direction of the Company, setting the long-term objectives of the Company, monitoring the performance of the management, protecting and maximising the interests of the Company and Shareholders, reviewing, considering and approving the annual budget, management results and performance update against annual budget, together with business reports from the management.

The Board has delegated an executive committee, comprising all Executive Directors, with authority and responsibility for day-to-day operations and administration of the Company.

All Directors have full and timely access to all relevant information as well as advice and services of the Company Secretary, with a view to ensuring that the Board procedures and all applicable law, rules and regulations, are followed. Upon making request to the Board, all Directors may obtain independent professional advice at the Company's expense for carrying out their functions.

The Company has arranged appropriate directors' and officers' liability insurance cover in respect of legal action against the Directors.

(ii) Board Composition

The Board currently comprises nine Directors with three Executive Directors, three Non-executive Directors and three Independent Non-executive Directors. The composition of the Board during the year ended 31 December 2023 and up to the date of this report is as follows:

Executive Directors
Ms. Chu Lai King *(Chairperson and Vice President of Operations)*
Mr. Lau Kwok Chu *(Chief Executive Officer)*
Mr. Chu Kin Hang *(Vice President of Content)*

Non-executive Directors
Mr. Hui Yat Yan, Henry
Mr. Lui Pak Shing, Michael
Mr. Poon Chi Ho

Independent Non-executive Directors
Mr. Chan Yu Cheong
Mr. Sin Pak Cheong Philip Charles
Mr. Wong Chee Chung

The biographical information and relationships of the Directors are set out in the section of "Directors and Senior Management" on pages 26 to 30 of this annual report.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors and senior management of the Group have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and senior management of the Group, including the chief executive and the Chairperson.

The Company has maintained on the websites of the Stock Exchange and the Company (*https://www.yesasiaholdings.com*) an updated list of its Directors identifying their roles and functions. Independent Non-executive Directors are also identified as such in all corporate communications that disclose the names of the Directors.

(iii) Chairperson and Chief Executive Officer

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. According to the current structure of the Board, the positions of the Chairman and Chief Executive Officer of the Group are held by separate individuals to ensure effective segregation of duties and a balance of power and authority.

Ms. Chu Lai King, the Chairperson, is primarily responsible for leadership of the Board and overall strategic direction of the Group. Mr. Lau Kwok Chu, the Executive Director and Chief Executive Officer of the Group, is primarily responsible for overall strategic planning and management of the Group and, in the meantime, he is also responsible for the day-to-day management as well as the business direction of the Hong Kong and international business operations of the Group. The positions of the Chairman and the Chief Executive Officer are currently held by separate individuals for the purpose of ensuring an effective segregation of duties and a balance of power and authority.

(iv) Independent Non-Executive Directors

During the year ended 31 December 2023, the Board has at all times met the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

During the year ended 31 December 2023, the Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

Pursuant to Rule 3.13 of the Listing Rules, each of the Independent Non-executive Directors has provided the Company with a written confirmation of his independence and the Company considers all of the Independent Non-executive Directors to be independent.

(v) Appointment, Re-election and Removal of Directors

Each of the executive Directors has entered into a service agreement with the Company for a term of three years, which are subject to termination following their respective terms.

Each of the non-executive Directors has entered into a service agreement with the Company for a term of three years, which are subject to termination following their respective terms.

Each of the independent non-executive Directors was engaged on a letter of appointment for a term of three years and shall be subject to retirement by rotation once every three years.

Under the Articles, the Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the existing Board. Any such new Director shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the following annual general meeting of the Company (in the case of an addition to the existing Board), and shall then be eligible for re-election. Every Director, including Independent Non-executive Directors, is subject to retirement by rotation and re-election at least once every three years. One-third of the Directors must retire from office at each annual general meeting and their re-election is subject to the approval of shareholders of the Company.

(vi) Board Meetings and General Meetings

Code provision C.5.1 provides that the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. Board meetings (include regular meetings as defined in the CG Code and other Board meetings) will be held from time to time when necessary. During the Reporting Year, the Board held seven regular Board meetings and one general meeting. The Company put in place effective mechanisms to ensure independent views and input are available to the Board. The Board has conducted an annual review on such mechanisms in 2023 and is of the view that the mechanisms have been properly implemented and are effective. In particular, the Company plans Board and Board committees meeting schedules for the year in advance, so as to facilitate active attendance and participation by Board members in the meetings. Board members, especially independent non-executive Directors, are welcome and are encouraged to raise enquiries, suggestions and views during the meetings. The Board also reviewed and considered the following key features or mechanisms under the Board and governance structure are effective in ensuring the independent views and input are provided to the Board:

– Since Listing, the Company has been steered by the Board, comprising a majority of non-executive Directors and independent non-executive Directors; and

– Majority of the members of all governance – related committees comprise of independent non-executive Directors.

Due notice and Board papers of regular Board meetings were given to all Directors prior to the meeting in accordance with the Articles and the CG Code. For the sake of flexibility, the Board holds meeting whenever necessary. In addition to these regular Board meetings, senior management of the Group provided to Directors the information on the activities and developments in the business of the Group from time to time and, when required, resolutions in writing were passed by the Board. In addition, the Board has established the Audit Committee, the Remuneration Committee, and the Nomination Committee to oversee particular aspects of the Company's affairs.

During the year ended 31 December 2023, the attendance records of the Directors at the Board meetings and general meeting are set out below:

Directors	Attendance/ Number of general meetings held	Attendance/ Number of regular board meetings held
Executive Directors		
Ms. Chu Lai King	1/1	7/7
Mr. Lau Kwok Chu	1/1	7/7
Mr. Chu Kin Hang	1/1	7/7
Non-executive Directors		
Mr. Hui Yat Yan, Henry	1/1	7/7
Mr. Lui Pak Shing, Michael	1/1	7/7
Mr. Poon Chi Ho	1/1	7/7
Independent Non-executive Directors		
Mr. Chan Yu Cheong	1/1	6/7
Mr. Sin Pak Cheong Philip Charles	1/1	7/7
Mr. Wong Chee Chung	1/1	7/7

Notices of not less than 14 days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and Board committee meetings, reasonable notice will be generally given.

Board papers together with all appropriate, complete and reliable information are generally sent to all Directors at least three days before each regular Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The company secretary of the Company is responsible to keep the minutes of all Board and committees meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

(vii) Board Diversity Policy

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the business growth. According to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a number of factors when selecting candidates to the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The existing members of the Board were appointed after taking into account the aforesaid factors. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. As at 31 December 2023, the overall workforce of the Group consisted of 141 (31.1%) male and 313 (68.9%) female employees. Further details on the gender ratio of the Group together with other relevant data are set out under the section headed "Fair Recruitment" of the Environmental, Social and Governance Report of the Company for the year ended 31 December 2023. The Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and in the workforce.

During the Reporting Year and as at the date of this annual report, the Board comprises eight male members and one female members and thus has a female representation exceeding 11%. The Nomination Committee considered that the Board is sufficiently diverse in terms of gender, age, cultural and education background, knowledge and professional experience. It reflects an appropriate mix of skills and experience that suits the Group's strategy and business.

(viii) Remuneration of Directors and Senior Management

The Company is not aware of any arrangement under which a director has waived or agreed to waive any emoluments. Details of the remuneration of the members of the Board for the year ended 31 December 2023 are set out in note 15 to the consolidated financial statements in this annual report.

The remuneration of the senior management members of the Company who are not members of the Board by band during the year ended 31 December 2023 are set out below:

Remuneration Band	**Number of Individuals**
HK$1,000,001 to HK$1,500,000	4
HK$1,500,001 to HK$2,000,000	–
HK$2,000,001 to HK$2,500,000	1

(ix) Continuous Professional Development of Directors

The Directors should participate in continuous professional development to develop and refresh their knowledge and skills pursuant to Code Provision C.1.4. The Company would provide a comprehensive induction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Company's constitutional documents and A Guide on Directors' Duties issued by the Companies Registry to each newly-appointed Director to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements.

The company secretary of the Company reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials, as well as organises seminars on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities.

All Directors are encouraged to participate in continuous professional development activities at the Company's expense to develop and refresh their knowledge and skills. All the Directors confirmed and provided the relevant training record that they had complied with Code Provision C.1.4 by making use of above arrangements during the Reporting Year as follows:

	Directors' training by topics		
Name of Directors	**Updates on rules and regulations relating to listed companies**	**Corporate governance**	**Ethics and code of conduct**
Executive Directors			
Ms. Chu Lai King	✓	✓	✓
Mr. Lau Kwok Chu	✓	✓	✓
Mr. Chu Kin Hang	✓	✓	✓
Non-executive Directors			
Mr. Hui Yat Yan, Henry	✓	✓	✓
Mr. Lui Pak Shing, Michael	✓	✓	✓
Mr. Poon Chi Ho	✓	✓	✓
	✓	✓	✓
Independent Non-executive Directors			
Mr. Chan Yu Cheong	✓	✓	✓
Mr. Sin Pak Cheong Philip Charles	✓	✓	✓
Mr. Wong Chee Chung	✓	✓	✓

BOARD COMMITTEES

The Board has established three committees namely, the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively the "**Board Committees**"), each of which has been delegated responsibilities and reports back to the Board. The roles and functions of these committees are set out in their respective terms of reference. The terms of reference of each of these committees will be reviewed from time to time to ensure that they continue to meet the needs of the Company and to ensure compliance with the CG Code where applicable. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website (*https://www.yesasiaholdings.com*) and the Stock Exchange's website, and are available to Shareholders upon request.

(i) Audit Committee

The Board established its Audit Committee on 17 August 2020 with specific written terms of reference setting out the committee's authority and duties. The Audit Committee consists of four members including one Non-executive Director and three Independent Non-executive Directors, namely, Mr. Hui Yat Yan, Henry (Non-executive Director), Mr. Chan Yu Cheong, Mr. Sin Pak Cheong Philip Charles and Mr. Wong Chee Chung (Independent Non-executive Directors). Mr. Wong Chee Chung is the Chairman of the Audit Committee. The Audit Committee is provided with sufficient resources to discharge its duties.

The Board has adopted a terms of reference of the Audit Committee in compliance with the CG Code, which is available on the websites of the Company and the Stock Exchange.

The main duties of the Audit Committee are to make recommendation to the Board on the appointment, re-appointment and removal of the external auditor, to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process and to discuss with the external auditor the nature and scope of the audit. It is also responsible for reviewing: (i) the interim and annual financial statements before submission to the Board and (ii) the Company's financial reporting, internal control and risk management systems and the internal and external audit functions (where appropriate). It also needs to discuss problems and reservations arising from the interim and final audits and to consider the major findings of internal investigations and management's response.

The Audit Committee shall meet at least twice per year according to its terms of reference. The number of meetings held during the year ended 31 December 2023, with details of attendance are set out below:

Audit Committee members	**Attendance/ Number of meetings held**
Mr. Wong Chee Chung *(Chairman)*	5/5
Mr. Chan Yu Cheong	5/5
Mr. Sin Pak Cheong Philip Charles	5/5
Mr. Hui Yat Yan, Henry	5/5

During the year ended 31 December 2023, the Audit Committee had considered, reviewed and discussed areas of concerns during the audit process, the compliance of company policies, risk management and the internal control procedures of the Group, and had approved the audited consolidated financial statements for the year ended 31 December 2022 and the unaudited interim financial statements for the six months ended 30 June 2023, and selection of the external auditors. The Audit Committee also reviewed and confirmed the independence of RSM Hong Kong Certified Public Accountants, the external auditors of the Company.

(ii) Remuneration Committee

The Board established its Remuneration Committee on 17 August 2020 with specific written terms of reference setting out the committee's authority and duties.

The Remuneration Committee consists of four members including one Non-executive Director and three Independent Non-executive Directors, namely, Mr. Poon Chi Ho (Non-executive Director), Mr. Chan Yu Cheong, Mr. Sin Pak Cheong Philip Charles and Mr. Wong Chee Chung (Independent Non-executive Directors). Mr. Chan Yu Cheong is the Chairman of the Remuneration Committee. The Remuneration Committee is provided with sufficient resources to discharge its duties.

The Board has adopted a terms of reference of the Remuneration Committee in compliance with the CG Code, which is available on the websites of the Company and the Stock Exchange.

The Company has adopted the model set out in Code Provision E.1.2(c)(i) of the CG Code as its Remuneration Committee model under which the Remuneration Committee shall make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

The major responsibilities of the Remuneration Committee are to make recommendation to the Board on the Company's policies and structure for remuneration of the Directors and senior management of the Company and review and approve the management's remuneration proposals with reference to the Board's corporate goal and objective. The Remuneration Committee shall determine the individual remuneration package of each executive Director (including the Chairperson), non-executive Director and senior management including benefits in kind and pension rights (including allocation of share options) and compensation payments (including any compensation payable for loss or termination of their office or appointment) subject to the contractual terms, if any. The Remuneration Committee also ensures that no Director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee shall meet at least once per year according to its terms of reference. The number of Remuneration Committee meetings held during the year ended 31 December 2023, with details of attendance are set out below:

Remuneration Committee members	**Attendance/ Number of meetings held**
Mr. Chan Yu Cheong *(Chairman)*	3/3
Mr. Poon Chi Ho	3/3
Mr. Wong Chee Chung	3/3
Mr. Sin Pak Cheong Philip Charles	3/3

During the year ended 31 December 2023, the Remuneration Committee reviewed the existing remuneration policy and structure, assessed the performance of each Director and approved the terms of executive Directors' service contracts for the Reporting Year.

Material matters relating to the Share Option Schemes that were reviewed and approved by the Remuneration Committee during the Reporting Year are set out below:

– Grant of 198,500 Options carrying rights to subscribe for a maximum of an aggregate of 1,985,000 Shares to 86 employees of the Group on 21 April 2023; and

– Grant of 25,000 Options carrying rights to subscribe for a maximum of an aggregate of 250,000 Shares to 3 employees of the Group on 27 October 2023.

(iii) Nomination Committee

The Board has adopted a terms of reference of the Nomination Committee in compliance with the CG Code, which is available on the websites of the Company and the Stock Exchange.

The Nomination Committee currently consists of four members including one executive Director and three independent non-executive Directors, namely, Mr. Chu Kin Hang (executive Director), Mr. Chan Yu Cheong, Mr. Sin Pak Cheong Philip Charles and Mr. Wong Chee Chung (Independent Non-executive Directors). Mr. Sin Pak Cheong Philip Charles is the Chairman of the Nomination Committee. The Nomination Committee is provided with sufficient resources to discharge its duties.

The main duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board on a regular basis and to identify individuals suitably qualified to become Board members. It is also responsible for assessing the independence of independent non-executive Directors and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Company has adopted a nomination policy, in evaluating and selecting any candidate for directorship. The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. In addition, the Nomination Committee will consider director candidates properly submitted by the Shareholders. The Nomination Committee would consider criteria including, among other things, character and integrity, qualifications (cultural and educational background, professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy), any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity, and willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s). The evaluation of director candidates may include, without limitation, review of resume and job history; personal interviews; verification of professional and personal references; and performance of background and independence checks. The Board will consider the recommendations by the Nomination Committee and is responsible for designating the director candidate(s) to be considered by the Shareholders for their election at the general meeting of the Company, or appointing the suitable candidate to act as director to fill the Board vacancies subject to compliance of the constitutional documents of the Company and the applicable laws, rules and regulations. All appointments of directors should be confirmed by letter of appointment and/or service contract setting out the key terms and conditions of the appointment of the directors.

The Company sees increasing diversity at the Board level as an essential element in attaining its strategic objectives and achieving sustainable and balanced development for the Group. During the Reporting Year, one out of nine Board of Directors was female. The Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship with a ranking of the candidates (if applicable) by order of preference based on the needs of the Company and reference check of each candidate. In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

The Nomination Committee shall meet at least once per year according to its terms of reference, during which matters such as structure, size and composition of the Board were discussed. The Nomination Committee considered that an appropriate balance of diversity of the Board is maintained during the Reporting Year. The number of Nomination Committee meetings held during the year ended 31 December 2023, with details of attendance are set out below:

Nomination Committee members	Attendance/ Number of meetings held
Mr. Sin Pak Cheong Philip Charles *(Chairman)*	3/3
Mr. Chan Yu Cheong	3/3
Mr. Wong Chee Chung	3/3
Mr. Chu Kin Hang	3/3

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the Code Provision A.2.1 of the CG Code:

a. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

b. to review and monitor the training and continuous professional development of Directors and senior management;

c. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

d. to develop, review and monitor the code of conduct and compliance manual applicable to talents and Directors; and

e. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for preparing the financial statements of the Group for the year ended 31 December 2023.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements relating to disclosure of inside information and other disclosures required under the Listing Rules and other statutory and regulatory requirements. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's financial statements, which are put to the Board for approval. The Board shall ensure that the financial statements of the Group are prepared to give a true and fair view and on a going concern basis under the statutory requirements and applicable financial reporting standards.

The statement by the auditor of the Company and the Group regarding its reporting responsibilities and opinion on the financial statements of the Company and the Group for the year ended 31 December 2023 is set out in the "Independent Auditor's Report" on pages 72 to 77 of this annual report.

AUDITOR'S REMUNERATION

The remuneration paid and payable to the external auditor of the Company, RSM Hong Kong, and its network firm, and the nature of services are set out as follows:

Type of services rendered	For the year ended 31 December 2023 (US$'000)
Audit Services	
– Annual audit	163
Non-audit services	
– IT system and related IT controls review	13
– Tax compliance services	21
Total	197

COMPANY SECRETARY

All Directors have access to the advice and services of the company secretary of the Company, who reports to the Chairperson on board governance matters, and is responsible for ensuring that Board procedures are followed and also facilitating communications among Directors as well as with Shareholders and management.

Mr. Ng Sai Cheong is the company secretary during the Reporting Year and had complied with the professional training requirements of no less than 15 hours to update his skills and knowledge under Rule 3.29 of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensures that the Group has established and maintained appropriate and effective risk management and internal control systems. A sound risk management and internal control system aims to reduce the risks faced by the Group in the process of achieving various business goals and to provide reasonable but not absolute guarantees for the realization of business goals.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resources, qualifications, experience and training of staff and external advisors of the Group's accounting and financial reporting departments. The Company convened meetings with the Audit Committee periodically to discuss financial, operational and compliance controls and risk management functions. Moreover, the Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The management of the Group is responsible for designing, maintaining, implementing and monitoring the risk management and internal control systems to ensure adequate control is in place to safeguard the Group's assets and stakeholder's interest. Management also assists the Board in the implementation of the Group's policies, procedures and controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Our Board has established the risk and compliance committee ("Risk and Compliance Committee"), which comprises Mr. Lau, Ms. Chu and Mr. Chu, all of whom are executive Directors. The Risk and Compliance Committee oversees our environmental, social and governance ("ESG") performance, management approach and strategy. The Risk and Compliance Committee is responsible for establishing, adopting, and reviewing our ESG policies, and evaluates ESG-related risks (including risks to the Group's businesses) on an annual basis.

The Group has formulated the internal control manual of the Group to govern the policies and procedures of the Group's risk management and internal control. Furthermore, the Group periodically reviewed the Company's policies and procedures, code of business conduct, corruption and conflicts of interest policy and whistleblowing policy. The Board would perform annual review on any significant change of business environment and establish procedures to respond to the risks resulting from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses and adverse impact to our business and protect the Shareholders' interests.

The management would identify the risks associated with the business of the Group by considering both internal and external factors and events which include politics, economy, technology, environmental, social and staff. Each of the risks has been assessed and prioritised based on their relevant impact and chance of occurrence. The relevant risk management strategies would be applied to each type of risks according to the assessment results. Types of risk management strategies are listed as follow:

– Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risk;

– Risk avoidance: change business process or objective so as to avoid risk;

– Risk sharing and diversification: diversify the effect of risk or allocate to different locations or products or markets;

– Risk transfer: transfer ownership and liability to a third party.

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimize the adverse impact resulting from the risks. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

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.

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.

The risk management and internal control systems are reviewed annually. During the Reporting Year, the Board completed the review of the Group's risk management and internal control systems and concluded them to be effective and adequate. The Board and management also reviewed the adequacy of the resources, qualifications, and experience of the staff in the accounting and financial reporting functions of the Group, as well as the adequacy of the training courses and related budgets received by the staff and were satisfied with the results.

WHISTLEBLOWING POLICY

The Group has adopted arrangements to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters.

The Audit Committee shall review such arrangements regularly and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

INSIDE INFORMATION POLICY

The Company is aware of and strictly complies with the requirements of the applicable laws, regulations and guidelines, including the obligations to disclose inside information under the SFO and the Listing Rules, and the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission, at the time when the relevant businesses are transacted. The Group has established the authority and accountability, as well as the handling and dissemination procedures in relation to inside information, and has communicated to all relevant personnel and provided them with specific training in respect of the implementation of the continuous disclosure policy.

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.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company is committed to safeguarding shareholders' interests and believes that effective communication with shareholders and other stakeholders is essential for enhancing investor relations and investor understanding of the business performance and strategies of the Group.

The Board adopted the Shareholders Communication Policy on 8 July 2021 and revised it on 29 December 2023. The policy aims to set out the provisions with the objective of ensuring that the shareholders of the Company and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders of the Company to exercise their rights in an informed manner and to allow shareholders of the Company and potential investors to engage actively with the Company.

The Audit Committee, on behalf of the Board, also conducted a review of the implementation and effectiveness of the Shareholders Communication Policy. Having considered the multiple channels of communication and engagement in place as set out in below, the Audit Committee is satisfied that the Shareholders Communication Policy has been properly implemented during the Reporting Year and is effective.

Information Disclosure on the Company's Website

To promote effective communication, the Company maintains a website at *https://www.yesasiaholdings.com,* where information and updates on the Company's financial information, corporate governance practices, biographical information of the Board and other information are available for public access.

General Meetings with Shareholders

According to Article 54 of the Articles, any one or more Shareholders representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings of the Company may request the Board to call a general meeting of the Company. Such request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The Board, if required to call a general meeting under Article 54, must call a meeting within 21 days after the date on which they become subject to the requirement.

DIVIDEND POLICY

The Board adopted a dividend policy that set outs the approach and principles of the Company in declaration of dividend.

In considering whether to declare any dividend, the Board shall consider factors in all aspects including the operating results, cash flow, financial condition and capital requirements of the Group and the interests of the Shareholders. The proposal of payment and determination of the amount of any dividend is made at the discretion of the Board, taking into account factors including the Company's prevailing and expected results of operations and profitability, liquidity position, capital requirements, market condition, as well as business objectives and investment opportunities. The Board will review the dividend policy based on the Group's upcoming investment opportunities and development plans from time to time.

SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Shareholders as required to be disclosed pursuant to the mandatory disclosure requirement under Paragraph K of the CG Code:

Convening a Special General Meeting by Shareholders

Section 566 of Companies Ordinance provides that shareholder(s) holding at the date of the deposit of the requisition not less than 5% of the total voting rights of all the shareholders of the Company and carrying the right of voting at general meeting of the Company, may request the Board, to convene a general meeting. The request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request must be authenticated by the relevant shareholder(s) and sent to the Company in hard copy form or in electronic form.

Procedures for putting forward proposals at general meetings by shareholders

Section 615 of Companies Ordinance provides that (i) shareholder(s) representing at least 2.5% of the total voting rights of all shareholders of the Company who have a right to vote on the resolution at the annual general meeting; or (ii) at least 50 shareholders who have a right to vote on the resolution at the annual general meeting may request the Company to circulate a notice of a resolution for consideration at the annual general meeting.

The request must identify the resolution to be moved at the annual general meeting and must be authenticated by the relevant shareholder(s) and sent to the Company in hardcopy form or in electronic form not later than six weeks before the relevant annual general meeting to which the requests relate; or if later, the time at which notice is given of that meeting.

Procedures for directing shareholders' enquiries to the Board

Shareholders and investors who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at 5/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong (email address: ir@yesasiaholdings.com).

Changes to the contact details above will be communicated through the Company's website at *https://www.yesasiaholdings.com*, which also contains information and updates on the Group's business developments and operations, as well as press releases and financial information.

CONSTITUTIONAL DOCUMENTS

The Company adopted the Articles on 13 March 2021, which has been effective from the Listing Date. During the year ended 31 December 2023, no amendment had been made to the constitutional documents of the Company including the said Articles.

The Directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2023.

RESULTS AND DIVIDEND

The results of the Group for the Reporting Year and the status of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 78 to 152.

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.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the past five financial years is set out on page 7.

BORROWINGS

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

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Year are set out in note 29 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Year are set out in note 31 to the consolidated financial statements and the consolidated statement of changes in equity on page 81.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company had retained earnings of approximately US$3,297,000 available for distribution, as computed in accordance with provisions of sections 291, 297 and 299 of the Companies Ordinance (2022: Nil).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Particulars and principal activities the Company's principal subsidiaries are set out in note 35 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report relating to share option schemes, no equity-linked agreement has been entered into during the Reporting Year or subsisted at the end of the Reporting Year.

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).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Year are set out in note 18 to the consolidated financial statements.

CHARITABLE DONATION

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

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong that have a significant impact on the Group during the year ended 31 December 2023.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in the annual report, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

BUSINESS REVIEW AND PERFORMANCE

Business Review

The business overview and an analysis of the Group's performance for the Reporting Year, which includes an analysis of the Group's performance using financial key performance indicators and an indication of likely future developments in the Group's business, is set out in the paragraph headed "Management Discussion and Analysis" on pages 14 to 25 of this report. Those review and discussions form part of this report of the Directors.

Principal Risks and Uncertainties

The E-commerce industry is highly competitive and the Group may not compete successfully against new and existing competitors, which may materially and adversely affect the Group's financial conditions and results of operations

The E-commerce industry is subject to intense competition, which is particularly true with respect to the Group's core business, being the online retail of fashion & lifestyle, beauty and entertainment products. The Group faces a variety of competitive challenges, including:

- sourcing products efficiently and economically;
- identifying new and emerging brands and maintaining relationships with those brands or their business partners;
- competing for and retaining high quality suppliers;
- pricing of products competitively;
- facilitate efficient and economic warehousing, fulfillment and delivery arrangement;
- maintaining the quality of services;
- anticipating and responding quickly to changing consumer demands and preferences;
- developing new features to enhance the customer experience on the Group's platforms;
- international markets expansion;
- acquiring new customers and retaining existing customers;
- conducting effective marketing activities and maintaining favorable recognition of the Group's brands, websites and products; and
- navigating the rapidly evolving IT system.

If the Group cannot properly address these challenges, the Group's business and prospects would be materially and adversely affected. In addition, factors beyond the Group's control such as imposition of or increase in taxes or tariffs, fluctuations of exchange rates or general economic downturns could also lower the Group's profitability under the competition pressure.

As a mitigating measure, the Group continues to launch new marketing initiatives to recruit new members and enhance the shopping experience for customers and loyalty by deployment of a new customer relationship management system. With the use of data analytics, the Group can provide more customized content that helps the Group to expand customers base.

The Group uses third-party couriers to deliver orders. If these couriers fail to provide reliable delivery services at commercially acceptable terms, the Group's business and reputation may be materially and adversely affected

The Group delivers goods through major local and international courier companies. Interruptions to or failures in these third parties' delivery services could inhibit the timely or proper delivery of the goods to customers. Service rates with these third party service providers may fluctuate. If these third-party couriers fail to deliver the goods in time or at all, or at uncompetitive costs, the Group may not be able to find alternative delivery companies to provide delivery services in a timely and cost efficient manner, or at all. If the goods are not delivered in proper condition or on a timely basis to our customers under a reasonable cost, the Group's business, prospects or results of operations could be materially and adversely affected.

As a mitigating measure, on 29 November 2021, the Group entered into a memorandum of understanding with CN Logistics, pursuant to which CN Logistics would offer logistics services for the Group's delivery of products in the United States and Europe and other overseas markets at charging rates which are expected to be at least 10% lower than the best available quotation by other independent service providers received and maintained by the Group on a regular basis. The Group believes the cooperation would enable the Group to offer more shipping options to customers and to attract more traffic to the online platforms maintained by the Group.

The financial risk factors are set out in note 6 to the consolidated financial statements.

Key Relationships with Employees, Customers and Suppliers

The Group has always paid great attention to and maintained a good business relationship with its suppliers of products and services, and has been providing, quality professional and customer-oriented services for its regional markets and customers. Suppliers and customers are good business partners creating value for the Group. The Group also values the knowledge and skills of its employees, and continues to provide favourable career development opportunities for its employees.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the environmental protection principle for delivering sustainable value to our stakeholders and have set out various initiatives aiming at the control of paper waste during our operations. The Group has not noted any material non-compliance with the relevant laws and regulations in relation to its business covering health and safety, workplace conditions, employment and the environment aspects during the Reporting Year. The Group has established its environmental, social and governance policies which set forth environmental protection measures, social responsibility principles and internal governance policies, and the Board has reviewed and confirmed its satisfaction with the implementation effectiveness and performance of such policies during the Reporting Year. The environmental, social and governance report of the Company for the year ended 31 December 2023 is available on the Company's website at *https://www.yesasiaholdings.com* and the Hong Kong Exchanges and Clearing Limited's website at *https://www.hkexnews.hk*. Going forward, the Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the Group's daily operation and continue to promote environmental practices and social sustainability.

The Company acknowledges the significant contributions by its stakeholders (including our employees, customers, suppliers, Shareholders and the communities) for progressing towards a sustainable development, and values their feedbacks and opinions to guide our management strategy on pertinent sustainability matters. To ensure transparent communication with our stakeholders, the Company has implemented whistleblowing channels as an integral part of its corporate governance and stakeholder engagement framework. Furthermore, the Company has established various communication channels to facilitate effective engagement with diverse stakeholders and gain insight into their expectations regarding the Company's long-term growth trajectory.

EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in note 15 to the consolidated financial statements.

DIRECTORS

The Directors of the Company during the Reporting Year and up to the date of this report were:

Executive Directors

Mr. Lau Kwok Chu (劉國柱) *(Chief Executive Officer)*
Ms. Chu Lai King (朱麗琼) *(Chairperson)*
Mr. Chu Kin Hang (朱健恒)

Non-executive Directors

Mr. Lui Pak Shing Michael (雷百成)
Mr. Hui Yat Yan Henry (許日昕)
Mr. Poon Chi Ho (潘智豪)

Independent Non-executive Directors

Mr. Chan Yu Cheong (陳汝昌)
Mr. Sin Pak Cheong Philip Charles (冼栢昌)
Mr. Wong Chee Chung (王子聰)

Biographical details of Directors and senior management of the Company are set out on pages 26 to 30. The Company has not been advised by its Directors of any change in the information required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since its last update to Shareholders.

The following is the list of directors of the Company's subsidiaries during the Reporting Year and up to the date of this report:

Mr. Lau Kwok Chu
Ms. Chu Lai King
Mr. Chao Chie Hua (Resigned on 19 February 2024)
Ms. Fung Man Yee Joyce (Appointed on 19 February 2024)
Mr. Erik Hohmann (Appointed on 5 March 2024)

RE-ELECTION OF DIRECTORS

Pursuant to Article 99 of the Articles of the Company, and with recommendation of the Nomination Committee, Mr. Lau Kwok Chu, Mr. Lui Pak Shing Michael and Mr. Hui Yat Yan Henry will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM.

Directors' service contracts

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensations, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Year or at any time during the Reporting Year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or their respective associates had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group during the Reporting Year.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Group's Controlling Shareholders had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Year or at any time during the Reporting Year.

No contracts of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or its subsidiaries subsisted at the end of the Reporting Year or at any time during the Reporting Year.

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

As of 31 December 2023, interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interests in Shares or underlying Shares

Name of Director	Capacity	Nature of interest	Number of Shares	Approximate percentage of the issued share capital of the Company (%)
Mr. Lau Kwok Chu (劉國柱)[1]	Beneficial interest	Long position	124,670,980	31.39%
	Interest of Spouse	Long position	29,935,550	7.54%
Ms. Chu Lai King (朱麗琼)[1]	Beneficial interest	Long position	29,935,550	7.54%
	Interest of Spouse	Long position	124,670,980	31.39%
Mr. Chu Kin Hang (朱健恒)[2]	Beneficial interest	Long position	4,842,120	1.22%
Mr. Lui Pak Shing Michael (雷百成)[3]	Beneficial interest	Long position	35,283,210	8.88%
Mr. Hui Yat Yan Henry (許日昕)[4]	Beneficial interest	Long position	100,000	0.03%
Mr. Poon Chi Ho (潘智豪)[5]	Beneficial interest	Long position	100,000	0.03%
Mr. Chan Yu Cheong (陳汝昌)[6]	Beneficial interest	Long position	100,000	0.03%
Mr. Sin Pak Cheong Philip Charles (冼栢昌)[7]	Beneficial interest	Long position	100,000	0.03%
Mr. Wong Chee Chung (王子聰)[8]	Beneficial interest	Long position	100,000	0.03%

Notes:

(1) As at 31 December 2023, Mr. Lau directly held 121,970,980 Shares, and held options under the Pre-IPO Share Option Schemes and Post-IPO Share Option Scheme which entitled him to subscribe for 2,600,000 Shares and 100,000 Shares respectively.

As at 31 December 2023, Ms. Chu directly held 29,235,550 Shares, and held options under the Pre-IPO Share Option Schemes and Post-IPO Share Option Scheme which entitled her to subscribe for 600,000 Shares and 100,000 Shares respectively.

As Mr. Lau is the spouse of Ms. Chu and vice versa, and they are each deemed under the SFO to be interested in the Shares directly held by each other, they are therefore both interested in the combined number of Shares (being 154,606,530 Shares as at 31 December 2023, representing approximately 38.93% of the issued share capital of the Company as at 31 December 2023).

(2) Mr. Chu Kin Hang is the brother of Ms. Chu and brother-in-law of Mr. Lau. As at 31 December 2023, Mr. Chu directly held 4,742,120 Shares, and held options under the Post-IPO Share Option Scheme which entitled him to subscribe 100,000 Shares.

(3) As at 31 December 2023, Mr. Lui Pak Shing Michael directly held 35,183,210 Shares, and held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 100,000 Shares.

(4) As at 31 December 2023, Mr. Hui Yat Yan Henry directly held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 100,000 Shares.

(5) As at 31 December 2023, Mr. Poon Chi Ho directly held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 100,000 Shares.

(6) As at 31 December 2023, Mr. Chan Yu Cheong directly held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 100,000 Shares.

(7) As at 31 December 2023, Mr. Sin Pak Cheong Philip Charles directly held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 100,000 Shares.

(8) As at 31 December 2023, Mr. Wong Chee Chung directly held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 100,000 Shares.

Mr. Lau Kwok Chu holds one share, representing 10% of the issued share capital of YesAsia.com Limited as a trustee for the Company, which is the beneficial owner of the shares in YesAsia.com Limited held by Mr. Lau. YesAsia.com Limited was incorporated on 7 December 1998 and was subject to the requirement for a minimum of two shareholders set out in the predecessor Companies Ordinance (Cap. 32 of the Laws of Hong Kong). Mr. Lau Kwok Chu holds the share in YesAsia.com Limited upon trust for the Company for nominee shareholding purpose.

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

As of 31 December 2023, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity	Nature of interest	Number of Shares	Approximate percentage of the issued share capital of the Company (%)
PCCW e-Ventures Limited[1]	Beneficial interest	Long Position	39,704,030	9.99%
CyberWorks Ventures Limited[1]	Interest in controlled corporation	Long Position	39,704,030	9.99%
PCCW Limited[1][3]	Interest in controlled corporation	Long Position	39,704,030	9.99%
Stonepath Group, Inc.[2]	Beneficial interest	Long Position	26,000,000	6.55%

Notes:

(1) PCCW e-Ventures Limited is held as to 50% by CyberWorks Ventures Limited and 50% by PCCW Nominees Limited (acting as a bare trustee for and on behalf of CyberWorks Ventures Limited as the beneficiary). CyberWorks Ventures Limited is a wholly-owned subsidiary of PCCW Limited (being a company listed on the Main Board of the Stock Exchange with stock code 0008). Therefore, each of CyberWorks Ventures Limited and PCCW Limited is deemed to be interested in the 39,704,030 Shares held by PCCW e-Ventures Limited for the purpose of Part XV of the SFO.

(2) Stonepath Group, Inc., is a US company incorporated in the State of Delaware, directly held 26,000,000 Shares. As far as our Directors are aware, Stonepath Group, Inc. is held by various shareholders, and none of which is deemed to be interested in the Shares held by Stonepath Group, Inc. for the purpose of Part XV of the SFO.

(3) As at 31 December 2023, the following Directors were directors/employees of a company who had an interest in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(a) Mr. HUI Yat Yan Henry served as senior vice president of the business development unit of PCCW and served as a director in a number of subsidiaries in the PCCW Group and HKT Limited.

(b) Mr. POON Chi Ho held a number of positions within the PCCW Group, including as director in a number of subsidiaries in both the PCCW Group and the HKT Group.

Save as disclosed above, as of 31 December 2023, the Company is not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEMES

2005 Share Option Scheme

The Company adopted a share option scheme on 2 June 2005 ("**2005 Share Option Scheme**") for the purpose of attracting and retaining directors, officers, employees, independent contractors, consultants and advisers by providing them with an opportunity for investment in the Company. The Company may grant options under the 2005 Share Option Scheme to (i) directors, officers and employees of the Company and/or any of its subsidiaries and (ii) natural persons who are independent contractors, consultants or advisers of the Company and/or any of its subsidiaries and who perform bona fide services on its behalf other than in connection with capital-raising transactions. The 2005 Share Option Scheme expired in 2015 and the Company can no longer grant any further options under the 2005 Share Option Scheme.

However, the terms of the 2005 Share Option Scheme allow the options to have a maximum exercise period of ten (10) years from the date of grant of the respective options and the all outstanding options granted prior to the expiration of the scheme would remain effective, and the expiration of the 2005 Share Option Scheme would not result in the termination of any options already granted.

There is no maximum entitlement of each participant specified under the 2005 Share Option Scheme. The exercise price of options granted under the 2005 Share Option Scheme shall be determined by the Board but shall not be less than 85% of the fair market value of the Shares as at the grant date.

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

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

Name of category/ participant	Outstanding as at 1 January 2023	Granted during the Reporting Year	Exercised during the Reporting Year	Cancelled during the Reporting Year	Lapsed during the Reporting Year	**Outstanding as at 31 December 2023**	Date of grant	Vesting period	Exercise period	Exercise price per option *US$*
Executive Director										
Lau Kwok Chu	10,000	–	(10,000)[(1)]	–	–	**–**	25 July 2013	25 July 2013 to 25 July 2017	25 July 2014 to 25 July 2023	US$0.50

As at 1 January 2023, the total number of shares of the Company that could be issued upon exercise of all outstanding options granted under the 2005 Share Option Scheme were 100,000 shares, which represented about 0.03% of the total number of issued shares of the Company as at 1 January 2023. During the Reporting Year, 100,000 shares of the Company were issued upon exercise of all outstanding options granted under the 2005 Share Option Scheme. Thus, there were no outstanding options granted under the 2005 Share Option Scheme as at 31 December 2023.

The default vesting schedule of the 2005 Share Option Scheme is as follows: (i) 25% of all the options granted will become vested on the first anniversary of the vesting start date as specified in the option agreement and (ii) 6.25% of the options granted will become vested as at the end of each three month period after the vesting start date.

The total proceeds of US$5,000 received from the exercise of share options under the 2005 Share Option Scheme during the Reporting Year were used as general working capital of the Company.

Note:

(1) During the Reporting Year, a total of 10,000 options were exercised under the 2005 Share Option Scheme. The weighted average closing price of Shares immediately before 28 June 2023 (the exercise date of 10,000 Share options) was HK$0.49.

2016 Share Option Scheme

The Company adopted a share option scheme on 30 June 2016 ("**2016 Share Option Scheme**") for the purpose of enabling the Company to attract and retain qualified employees of providing them with an opportunity for investment in the Company. The Company may grant options under the 2016 Share Option Scheme only to employees of the Company. As the Company became listed on the Stock Exchange on 9 July 2021, no further options can be granted under the 2016 Share Option Scheme.

However, the terms of the 2016 Share Option Scheme allow the options to have a maximum exercise period of ten (10) years from the date of grant of the respective options and the all outstanding options granted prior to the expiration of the scheme would remain effective, and the expiration of the 2016 Share Option Scheme would not result in the termination of any options already granted.

There is no maximum entitlement of each participant specified under the 2016 Share Option Scheme. The exercise price of options granted under the 2016 Share Option Scheme shall be determined by the Board but shall not be less than 85% of the fair market value of the Shares as at the grant date.

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

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

Name of category/ participant	Outstanding as at 1 January 2023	Granted during the Reporting Year	Exercised during the Reporting Year	Cancelled during the Reporting Year	Lapsed during the Reporting Year	**Outstanding as at 31 December 2023**	Date of grant	Vesting period	Exercise period	Exercise price per option *US$*
Executive Directors										
Lau Kwok Chu	180,000	–	(100,000)[1]	–	–	**80,000**	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US$0.80
	180,000	–	–	–	–	**180,000**	15 August 2019	15 August 2019 to 15 August 2023	15 August 2020 to 15 August 2029	US$1.55
Chu Lai King	60,000	–	–	–	–	**60,000**	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US$0.80
Subtotal	420,000	–	(100,000)	–	–	**320,000**				
Other Employees*										
Chu Pui King (Associate of Director – Sister of Ms. Chu Lai King and Mr. Chu Kin Hang)	3,000	–	–	–	–	**3,000**	23 April 2020	23 April 2020 to 23 April 2024	23 April 2021 to 23 April 2030	US$2.01
2 Grantees	2,451	–	–	–	–	**2,451**	28 July 2016	28 July 2016 to 28 July 2020	28 July 2017 to 28 July 2026	US$0.80
1 Grantee	625	–	–	–	–	**625**	27 April 2017	1 April 2017 to 1 April 2021	1 April 2018 to 27 April 2027	US$0.80
1 Grantee	1,250	–	–	–	–	**1,250**	10 August 2017	1 August 2017 to 1 August 2021	1 August 2018 to 10 August 2027	US$0.80
1 Grantee	1,875	–	–	–	–	**1,875**	27 April 2018	1 November 2017 to 1 November 2021	1 November 2018 to 27 April 2028	US$1.20
1 Grantee	625	–	–	–	–	**625**	27 April 2018	1 December 2017 to 1 December 2021	1 December 2018 to 27 April 2028	US$1.20

Name of category/ participant	Outstanding as at 1 January 2023	Granted during the Reporting Year	Exercised during the Reporting Year	Cancelled during the Reporting Year	Lapsed during the Reporting Year	**Outstanding as at 31 December 2023**	Date of grant	Vesting period	Exercise period	Exercise price per option *US$*
2 Grantees	5,700	–	–	(2,500)	–	**3,200**	27 April 2018	1 January 2018 to 1 January 2022	1 January 2019 to 27 April 2028	US$1.20
9 Grantees	36,538	–	–	–	–	**36,538**	27 April 2018	1 April 2018 to 1 April 2022	1 April 2019 to 27 April 2028	US$1.20
1 Grantee	6,250	–	–	–	–	**6,250**	27 April 2018	1 May 2018 to 1 May 2022	1 May 2019 to 27 April 2028	US$1.20
3 Grantees	43,750	–	–	(6,250)	–	**37,500**	26 July 2018	1 April 2018 to 1 April 2022	1 April 2019 to 26 July 2028	US$1.20
1 Grantee	15,625	–	–	–	–	**15,625**	26 July 2018	1 May 2018 to 1 May 2022	1 May 2019 to 26 July 2028	US$1.20
Nil Grantee	1,250	–	(1,200)[1]	(50)	–	**-**	26 July 2018	1 June 2018 to 1 June 2022	1 June 2019 to 26 July 2028	US$1.20
7 Grantees	83,175	–	(5,000)[1]	–	–	**78,175**	24 January 2019	1 January 2019 to 1 January 2023	1 January 2020 to 24 January 2029	US$1.20
25 Grantees	74,005	–	–	(562)	–	**73,443**	25 April 2019	25 April 2019 to 25 April 2023	25 April 2020 to 25 April 2029	US$1.55
5 Grantees	33,000	–	–	–	–	**33,000**	15 August 2019	15 August 2019 to 15 August 2023	15 August 2020 to 15 August 2029	US$1.55
9 Grantees	155,700	–	–	(22,500)	–	**133,200**	6 February 2020	6 February 2020 to 6 February 2024	6 February 2021 to 6 February 2030	US$1.55
40 Grantees	260,000	–	–	(15,000)	–	**245,000**	23 April 2020	23 April 2020 to 23 April 2024	23 April 2021 to 23 April 2030	US$2.01
3 Grantees	50,000	–	–	–	–	**50,000**	30 July 2020	30 July 2020 to 30 July 2024	30 July 2021 to 30 July 2030	US$2.01
15 Grantees	240,000	–	–	–	–	**240,000**	29 October 2020	29 October 2020 to 29 October 2024	29 October 2021 to 29 October 2030	US$2.01

Name of category/ participant	Outstanding as at 1 January 2023	Granted during the Reporting Year	Exercised during the Reporting Year	Cancelled during the Reporting Year	Lapsed during the Reporting Year	**Outstanding as at 31 December 2023**	Date of grant	Vesting period	Exercise period	Exercise price per option *US$*
12 Grantees	140,000	–	–	–	–	**140,000**	28 January 2021	28 January 2021 to 28 January 2025	28 January 2022 to 28 January 2031	US$2.01
70 Grantees	465,000	–	–	(47,000)	–	**418,000**	29 April 2021	29 April 2021 to 29 April 2025	29 April 2022 to 29 April 2031	US$2.01
Subtotal	1,619,819	–	(6,200)	(93,862)	–	**1,519,757**				
Total	2,039,819	–	(106,200)	(93,862)	–	**1,839,757**				

* Represents number of grantees as at 31 December 2023.

As at 1 January 2023, the total number of Shares of the Company that could be issued upon exercise of all outstanding options granted under the 2016 Share Option Scheme were 20,398,190 Shares, which represented about 5.15% of the total number of issued Shares of the Company as at 1 January 2023. As at 31 December 2023, the total number of Shares of the Company that could be issued upon exercise of all outstanding options granted under the 2016 Share Option Scheme were 18,397,570 Shares, which represented about 4.63% of the total number of issued Shares of the Company as at 31 December 2023.

The default vesting schedule of the 2016 Share Option Scheme is as follows: (i) 25% of all the options granted will become vested on the first anniversary of the vesting start date as specified in the option agreement and (ii) 6.25% of the options granted will become vested as at the end of each three month period after the vesting start date.

The total proceeds of approximately US$87,000 received from exercised share options under 2016 Share Option Scheme during the Reporting Year was fully used for general working capital of the Company by the end of the Reporting Year.

Please refer to Notes 5(b)(ii) and 32 to the consolidated financial statements for the accounting standard and policy adopted and the methodology and assumptions used in the calculation of the fair value of Options granted.

Note:

(1) During the year ended 31 December 2023, the number of exercised options under the 2016 Share Option Scheme was 106,200. The weighted average closing prices of Shares immediately before 8 February 2023 (the exercise date of 6,200 Share options) and 6 December 2023 (the exercise date of 100,000 Share options) were HK$0.61 and HK$0.49 respectively.

Post-IPO Share Option Scheme

A post-IPO share option scheme was adopted by the Company on 13 March 2021, which was conditional upon the listing of the Shares on the Stock Exchange and came into effect on 9 July 2021 (the "**Post-IPO Share Option Scheme**"). The Post-IPO Share Option Scheme shall be valid and effective for the period of ten years from the date of the listing of the Shares on the Stock Exchange until 8 July 2031. The purpose of the Post-IPO Share Option Scheme is to advance the interests of the Company and its shareholders by enabling the Company to attract and retain qualified employees or directors of the Company and/or its subsidiaries through providing them with an opportunity for investment in the shares of the Company. Participants to the Post-IPO Share Option Scheme include any individual, being an employee or director of the Company and/or the Company's subsidiaries who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the business performance of the Group. However, no individual who is a resident in a place where the grant, acceptance or exercise of options pursuant to the Post-IPO Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual from the grant or offer of such options.

The total number of Shares which may be issued upon exercise of all options that could be granted under the Post-IPO Share Option Scheme is 39,539,079, being 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (the "**Option Scheme Mandate Limit**") (excluding any Shares which may be issued pursuant to the exercise of the outstanding options granted under the Pre-IPO Share Option Schemes). Options which have lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme (or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**"). Any further grant of options to a selected participant which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, canceled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders (with such selected participant and his close associates abstaining from voting). There was no option granted under such circumstances during the Reporting Year.

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

The subscription price, being the amount payable for each Share to be subscribed for under an option, in the event of the option being exercised shall be determined by the Board but shall be not less than the greater of:

(i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a Share on the date of grant.

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option.

Each grant of options to any director, chief executive or substantial shareholder of the Company (or any of their respective associates) must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of options).

In addition, where any grant of options to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and

(ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5,000,000 (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of options must also be first approved by the Shareholders (voting by way of poll) in a general meeting. In obtaining the approval, the Company shall send a circular to the Shareholders in accordance with and containing such information as is required under the Listing Rules. All core connected persons of the Company shall abstain from voting at such general meeting, except that any core connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith. There was no option granted under such circumstances during the Reporting Year.

During the Reporting Year, 223,500 options carrying rights to subscribe for a maximum of 2,235,000 Shares have been granted by the Company under the Post-IPO Share Option Scheme. Movements of the share options under the Post-IPO Share Option Scheme during the Reporting Year are as follows:

Name of category/ participant	Outstanding as at 1 January 2023	Granted during the Reporting Year	Exercised during the Reporting Year	Cancelled during the Reporting Year	Lapsed during the Reporting Year	**Outstanding as at 31 December 2023**	Date of grant	Vesting period	Exercise period	Exercise price per option *HK$*	Closing share price immediately before the date of grant *HK$*	Fair value at the date of grant for options granted during the Reporting Year *US$'000*
Executive Directors												
Lau Kwok Chu	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Chu Lai King	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Chu Kin Hang	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Subtotal	30,000	–	–	–	–	**30,000**						
Non-Executive Directors												
Lui Pak Shing, Michael	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Hui Yat Yan Henry	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Poon Chi Ho	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Subtotal	30,000	–	–	–	–	**30,000**						
Independent Non-Executive Directors												
Chan Yu Cheong	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Sin Pak Cheong Philip Charles	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Wong Chee Chung	10,000	–	–	–	–	**10,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Subtotal	30,000	–	–	–	–	**30,000**						

Name of category/ participant	Outstanding as at 1 January 2023	Granted during the Reporting Year	Exercised during the Reporting Year	Cancelled during the Reporting Year	Lapsed during the Reporting Year	**Outstanding as at 31 December 2023**	Date of grant	Vesting period	Exercise period	Exercise price per option *HK$*	Closing share price immediately before the date of grant *HK$*	Fair value at the date of grant for options granted during the Reporting Year *US$'000*
Other Employees*												
3 grantees	40,000	–	–	(5,000)	–	**35,000**	30 August 2021	30 August 2021 to 29 August 2025	30 August 2022 to 29 August 2031	24.48	2.16	
2 grantees	10,000	–	–	–	–	**10,000**	29 October 2021	29 October 2021 to 28 October 2025	29 October 2022 to 28 October 2031	14.28	1.40	
59 grantees	221,000	–	–	(25,500)	–	**195,500**	21 April 2022	21 April 2022 to 20 April 2026	21 April 2023 to 20 April 2032	11.60	1.16	
6 grantees	45,000	–	–	(5,000)	–	**40,000**	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
69 grantees	–	198,500[(1)]	–	(2,500)	–	**196,000**	21 April 2023	21 April 2023 to 20 April 2027	21 April 2024 to 20 April 2033	5.10	0.52	50
3 grantees	–	25,000[(2)]	–	–	–	**25,000**	27 October 2023	27 October 2023 to 26 October 2027	27 October 2024 to 26 October 2033	4.70	0.47	6
Subtotal	316,000	223,500	–	(38,000)	–	**501,500**						56
Total	406,000	223,500	–	(38,000)	–	**591,500**						56

* Represents number of grantees as at 31 December 2023.

Notes:

(1) On 21 April 2023, 198,500 options were granted under Post-IPO Share Option Scheme at nil consideration and the total estimated fair value of these options on the date of grant was approximately US$50,000. Please refer the Note 5(b)(ii) and 32 to the consolidated financial statements for the accounting policy adopted for share options. The Share closing price immediately before the date of grant of the aforementioned 198,500 options was HK$0.52.

(2) On 27 October 2023, 25,000 options were granted under Post-IPO Share Option Scheme at nil consideration and the total estimated fair value of these options on the date of grant was approximately US$6,000. Please refer the Note 5(b)(ii) and 32 to the consolidated financial statements for the accounting policy adopted for share options. The Share closing price immediately before the date of grant of the aforementioned 25,000 options was HK$0.47.

As at 1 January 2023, the total number of shares of the Company that could be issued upon exercise of all outstanding options granted under the Post-IPO Share Option Scheme were 4,060,000 shares, which represented about 1.03% of the total number of issued shares of the Company as at 1 January 2023. As at 31 December 2023, the total number of shares of the Company that could be issued upon exercise of all outstanding options granted under the Post-IPO Share Option Scheme were 5,915,000 shares, which represented about 1.49% of the total number of issued shares of the Company as at 31 December 2023.

The default vesting schedule of the Post-IPO Share Option Scheme is as follows: (i) 25% of all the options granted will become vested on the first anniversary of the vesting start date as specified in the option agreement and (ii) 6.25% of the options granted will become vested as at the end of each three month period after the vesting start date.

Please refer to Notes 5(b)(ii) and 32 to the consolidated financial statements for the accounting standard and policy adopted and the methodology and assumptions used in the calculation of the fair value of Options granted.

Further details of the Share Option Schemes are set out as follows:

	2005 Share Option Scheme	2016 Share Option Scheme	Post-IPO Share Option Scheme
Number of Options available for grant			
As at 1 January 2023	–	–	3,547,907
As at 31 December 2023	–	–	3,362,407
Number of Shares that may be issued in respect of Options granted during the Reporting Year divided by the weighted average number of Shares during the Reporting Year[(3)]	–	–	0.3%
Remaining life of the option scheme as at 31 December 2023	–[(1)]	–[(2)]	7.52 years
As at the date of annual report			
Total number of Shares available for issue under the option scheme in respect of Options granted	–	16,073,730	1,514,667
% of the total number of issued Shares	–	4.0%	0.4%
Total number of Shares available for issue upon exercise of all share options that could be granted	–[(1)]	–[(2)]	33,674,079
% of the total number of issued Shares	–	–	8.5%

(1) The 2005 Share Option Scheme expired in 2015 and the Company can no longer grant any further options under the 2005 Share Option Scheme.

(2) As the Company became listed on the Stock Exchange on 9 July 2021, no further options can be granted under the 2016 Share Option Scheme.

(3) Please refer to Note 17 to the consolidated financial statements for the weighted average number of Shares during the Reporting Year.

According to the terms of the Share Option Schemes, the exercise period of the share options granted under the Share Option Schemes is determinable by the Board (or by a committee appointed by the Board which consists of two or more members of the Board) and ends on a date which is not later than ten years from the date of grant of the relevant share options. The Share Option Schemes do not specify any minimum holding period for which an option must be held before it can be exercised. There is no performance target attached to the vesting or exercise of the options granted under the Share Option Schemes.

The Share Option Schemes do not demand payment on application or acceptance of the option. The Company has not adopted any share award scheme during the Reporting Year and up to the date of this report.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the Reporting Year.

PERMITTED INDEMNITY PROVISIONS

During the Reporting Year and up to the date of this report, there was or is permitted indemnity provision in the Articles in force. The Company has maintained Directors' and officers' liability insurance throughout the Reporting Year and up to the date of this report, which provides appropriate cover for certain legal actions brought against its Directors and officers arising out of corporate activities.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Year, the largest customer accounted for approximately 0.5% (2022: 0.4%) of the Group's total revenue. The five largest customers accounted for approximately 1.6% (2022: 1.3%) of the Group's total revenue for the Reporting Year.

The Group's five largest suppliers together accounted for approximately 38.8% (2022: 28.3%) of the Group's total purchase for the Reporting Year. The largest supplier accounted for approximately 12.6% (2022: 8.5%) of the total purchase of the Group for the Reporting Year.

To the best knowledge of the Directors, neither the Directors, their associates, nor any Shareholders, who, to the knowledge of the Directors, owned more than 5% of the Company's issued voting shares, had any beneficial interest in any of aforementioned customers or suppliers during the Reporting Year.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to directors' duties, responsibilities and performance and the results of the Group.

MATERIAL LITIGATION

During the Reporting Year, the Group was not involved in any material litigation or arbitration, nor were the Directors aware of any material litigation or claims that were pending or threatened against the Group.

AUDITOR

The financial statements have been audited by RSM Hong Kong who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

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 HK$' million	The Reallocation HK$' million	Planned use of net proceeds subsequent to the Reallocation HK$' million	Net proceeds utilised up to 31 December 2023 HK$' million	Net proceeds unutilised as at 31 December 2023 HK$' million	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)	–	

EMOLUMENT POLICY

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remunerations of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remunerations of the Directors are determined with reference to the economic situation, the market conditions, the responsibilities and duties assumed by each Director as well as their individual performance.

The Company has adopted the Post-IPO Share Option Scheme in 2021 to provide long-term incentives for key employees, including Directors. The vesting schedule for the Options granted under the Post-IPO Share Option Scheme acts as both a retention and risk management tool and is as follows:

(1) 25% of all the Options granted will become vested on the first anniversary of the vesting start date;

(2) 6.25% of the Options granted will become vested as at the end of each three-month period after the first anniversary of the vesting start date, such that all of the Options with the same vesting start date shall become vested on the fourth anniversary of the vesting start date.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Company has maintained sufficient public float as required under the Listing Rules during the Reporting Year and up to the date of this report.

EVENTS AFTER THE REPORTING DATE

Events after the reporting date are set out in note 39 to the consolidated financial statements.

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.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group, and our Shareholders, customers and business partners for their continuous support.

On Behalf of the Board
Chu Lai King
Chairperson

Hong Kong, 28 March 2024

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TO THE MEMBERS OF
YESASIA HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of YesAsia Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 78 to 152, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RSM

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter we identified is:

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue generated from self-operated online platform We identified recognition of revenue generated from self-operated online platform as a key audit matter as the relevant sales transactions were conducted through the Group's self-operated online platform from receiving the sales orders to arranging the delivery and the total revenue amount and volume involved are significant. The recognition of such revenue is highly dependent on data flow accuracy of and the IT controls over the online platform. Hence, it gives rise to an inherent risk that such revenue could be misstated or subject to manipulation. The Group's revenue generated from self-operated online platform is recognised when the ordered goods are delivered or picked up, being the time when customers obtain control over the goods. The accounting policy for revenue recognition and related performance obligations are disclosed in Note 4(m) and Note 8 to the consolidated financial statements, respectively. For the year ended 31 December 2023, revenue generated from self-operated online platform amounted to US$200,156,000, represented 99.4% of the Group's total revenue, which is set out in Note 8 to the consolidated financial statements.	Our procedures in relation to the recognition of revenue generated from self-operated online platform included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls which govern such revenue recognition; • Engaging our internal IT specialists to obtain an understanding of and assessing the design, implementation and operating effectiveness of general IT controls for relevant IT applications and IT application controls which govern such revenue recognition; • Engaging our internal IT specialists to assist us in testing the data flow accuracy and assessing the operating effectiveness of those IT application controls which are relevant to the recognition of revenue; • Understanding the terms of delivery of the sales orders and assessing whether the management of the Group recognised the revenue in accordance with the Group's accounting policy and when Group's performance obligations are satisfactorily fulfilled;

RSM

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue generated from self-operated online platform (continued)	Our procedures in relation to the recognition of revenue generated from self-operated online platform included: (continued) • Checking the supporting documents for recognition of the revenue including sales invoices, good delivery notes and/or evidence of the customers' acknowledgement of receipt of the goods on the self-operated online platform, on a sample basis; • Obtaining audit confirmations to confirm the sales transaction amounts from customers, on a sample basis, and performing alternative procedures for unreturned confirmations; and • Performing data analysis to identity unusual pattern and fluctuation of revenue generated from self-operated online platform and obtaining explanation from the management of the Group together with checking the relevant supporting documents.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Ng Wai Kwun.

RSM Hong Kong
Certified Public Accountants

28 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Note	2023 *US$'000*	2022 *US$'000*
Revenue	8	**201,339**	128,592
Cost of sales		**(138,641)**	(85,866)
Gross profit		**62,698**	42,726
Other income and other gains and losses	9	**83**	973
Selling expenses		**(23,908)**	(19,044)
Administrative expenses		**(29,577)**	(30,682)
Reversal of impairment losses for trade receivables		**4**	2
Profit/(loss) from operations		**9,300**	(6,025)
Finance costs	11	**(1,218)**	(990)
Profit/(loss) before tax		**8,082**	(7,015)
Income tax (expense)/credit	12	**(510)**	233
Profit/(loss) for the year	13	**7,572**	(6,782)
Attributable to:			
Equity shareholders of the Company		**7,573**	(6,782)
Non-controlling interests		**(1)**	–
		7,572	(6,782)
Earnings/(loss) per share	17		
Basic and diluted (US cents per share)		**1.91**	(1.71)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Note	**2023** **US$'000**	2022 US$'000
Non-current assets			
Property, plant and equipment	18	**4,320**	5,267
Right-of-use assets	19	**10,595**	14,458
Financial assets at fair value through profit or loss ("FVTPL")	20	**1,732**	2,026
Prepayments, deposits and other receivables	22	**1,623**	1,698
Total non-current assets		**18,270**	23,449
Current assets			
Inventories		**20,849**	11,897
Trade receivables	21	**4,678**	2,148
Prepayments, deposits and other receivables	22	**4,197**	3,668
Current tax assets		**53**	584
Pledged bank fixed deposits	23(a)	**1,257**	3,179
Bank and cash balances	23	**25,181**	18,797
Total current assets		**56,215**	40,273
Current liabilities			
Trade and other payables and accruals	24	**12,606**	9,647
Contract liabilities	25	**12,735**	9,391
Provisions	26	**371**	1,362
Lease liabilities	27	**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
Non-current liabilities			
Provisions	26	**1,101**	643
Lease liabilities	27	**7,469**	11,561
Total non-current liabilities		**8,570**	12,204
Net assets		**35,054**	27,137
Capital and reserves			
Share capital	29	**20,640**	20,494
Reserves	31	**14,415**	6,643
Equity attributable to shareholders of the Company		**35,055**	27,137
Non-controlling interests		**(1)**	–
Total equity		**35,054**	27,137

Approved by the Board of Directors on 28 March 2024 and are signed on its behalf by:

Mr. LAU Kwok Chu

Ms. CHU Lai King

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to shareholders of the Company								
	Share capital **US$'000** *(Note 29)*	**Share-based payments reserve** **US$'000** *(Note 31(c)(i))*	**Capital reserve** **US$'000** *(Note 31(c)(ii))*	**Merger reserve** **US$'000** *(Note 31(c)(iii))*	**Foreign currency translation reserve** **US$'000** *(Note 31(c)(iv))*	**Accumulated losses** **US$'000**	**Sub-total** **US$'000**	**Non-controlling interests** **US$'000**	**Total equity** **US$'000**
At 1 January 2022	20,482	2,351	14,342	2,271	(30)	(3,129)	36,287	–	36,287
Total comprehensive income for the year	–	–	–	–	(36)	(6,782)	(6,818)	–	(6,818)
Issue of shares under share option scheme *(Note 29)*	12	(5)	–	–	–	–	7	–	7
Recognition of share-based payments *(Note 32)*	–	216	–	–	–	–	216	–	216
Dividend paid *(Note 16)*	–	–	–	–	–	(2,555)	(2,555)	–	(2,555)
Changes in equity for the year	12	211	–	–	(36)	(9,337)	(9,150)	–	(9,150)
At 31 December 2022 and 1 January 2023	20,494	2,562	14,342	2,271	(66)	(12,466)	27,137	–	27,137
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**21**	**7,573**	**7,594**	**(1)**	**7,593**
Issue of shares under share option scheme *(Note 29)*	**146**	**(54)**	**-**	**-**	**-**	**-**	**92**	**-**	**92**
Recognition of share-based payments *(Note 32)*	**-**	**232**	**-**	**-**	**-**	**-**	**232**	**-**	**232**
Changes in equity for the year	**146**	**178**	**-**	**-**	**21**	**7,573**	**7,918**	**(1)**	**7,917**
At 31 December 2023	**20,640**	**2,740**	**14,342**	**2,271**	**(45)**	**(4,893)**	**35,055**	**(1)**	**35,054**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**8,082**	(7,015)
Adjustments for:			
Write down of inventories, net	13	**268**	177
Interest income	9	**(155)**	(165)
Depreciation of property, plant and equipment	13, 18	**1,601**	1,814
Depreciation of right-of-use assets	13, 19	**4,594**	5,477
Equity-settled share-based payments	14	**232**	216
Fair value loss on financial assets at FVTPL	9	**294**	216
Finance costs	11	**1,218**	990
Property, plant and equipment written off	9	**101**	86
Gains on remeasurement upon modification of leases	9	**–**	(208)
Reversal of impairment losses for trade receivables		**(4)**	(2)
(Reversal of provisions)/provisions, net	26	**(442)**	519
Operating profit before working capital changes		**15,789**	2,105
Increase in inventories		**(9,220)**	(4,481)
Increase in trade receivables		**(2,526)**	(325)
Increase in prepayments, deposits and other receivables		**(389)**	(684)
Increase/(decrease) in trade and other payables and accruals		**2,959**	(197)
Increase in contract liabilities		**3,344**	88
Decrease in provisions		**(195)**	(151)
Cash generated from/(used in) operations		**9,762**	(3,645)
Income taxes refunded/(paid)		**374**	(480)
Interest on lease liabilities	11	**(1,144)**	(950)
Net cash generated from/(used in) operating activities		**8,992**	(5,075)

	Note	2023 US$'000	2022 US$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in non-pledged bank fixed deposits	23(a)(ii)	**2,028**	5,264
Decrease in restricted bank balances	23(b)	**17**	–
Interest received		**123**	165
Deposit paid for property plant and equipment		**(33)**	–
Purchases of property, plant and equipment	18	**(754)**	(4,436)
Net cash generated from investing activities		**1,381**	993
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments	33(a)	**(3,966)**	(4,634)
Proceeds from issuance of shares	29	**92**	7
Decrease/(increase) in pledged bank fixed deposits		**1,922**	(1,176)
Dividend paid		**–**	(2,387)
Net cash used in financing activities		**(1,952)**	(8,190)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**8,421**	(12,272)
Effect of foreign exchange rate changes		**8**	(132)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**16,659**	29,063
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**25,088**	16,659
ANALYSIS OF CASH AND CASH EQUIVALENTS		**25,181**	18,797
Bank and cash balances			
Less: Bank fixed deposits with original maturity beyond three months	23(a)(ii)	**(93)**	(2,121)
Restricted bank balances	23(b)	**–**	(17)
		25,088	16,659

1. GENERAL INFORMATION

YesAsia Holdings Limited (the "Company") was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business is 5/F, KC100, 100 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong.

The shares of the Company were listed on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing") on 9 July 2021 (the "Listing Date").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 35 to the consolidated financial statements. The Company and its subsidiaries are collectively referred to as the "Group".

These consolidated financial statements are presented in United State dollars ("US$") and all values are rounded to the nearest thousand (US$'000), unless otherwise stated.

In the opinion of the directors of the Company, the Company has no ultimate holding company. Mr. Lau Kwok Chu and Ms. Chu Lai King are the ultimate controlling parties of the Company.

2. 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 3 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.

3. 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.

3. ADOPTION OF NEW AND REVISED HKFRSs (CONTINUED)

(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.

4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Group's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 to the consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in US$, which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the entity initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment are calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Leasehold improvements	Over the lease term
Furniture and fixtures	5 years
Computer software and equipment	3–5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment are the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Leases (Continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense in a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and

- makes adjustments specific to the lease including term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the individual lessee uses that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Leases (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation are transferred to property, plant and equipment.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis and comprises costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL") in accordance with the policy set out in Note 4(s) to the consolidated financial statements and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

The Group operates a loyalty programme which awards customers membership to enjoy certain discount on future purchases. The programme gives rise to a separate performance obligation because it provides a material right to the customers. A portion of the transaction price is allocated to the customers based on relative stand-alone selling price and are recognised as contract liabilities.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(h) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

– Fair value through other comprehensive income ("FVTOCI") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVTPL, if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(ii) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the E-commerce transactions and offline wholesale of products, stated net of value added taxes, sales taxes, returns, rebates and discounts.

Revenue is recognised when specific criteria have been met for the Group's activity described below:

(i) Sale of goods – E-commerce transactions

The Group sells products through E-commerce platforms. Revenue from the sale of goods is recognised on a trade date basis when the relevant transactions are executed and there is no unfulfilled obligation that affect the customer's acceptance of the goods sold. Payment of the transaction price is due immediately when the customer purchases the goods. As part of the Group's ordinary activities for the E-commerce transactions, discount coupons and credit points are issued and granted to customers, and the receipts in respect of which are deferred and recognised as "contract liabilities" on the consolidated statement of financial position. Any non-redeemed discount coupons and points are referred to as breakage. An expected breakage amount in receipts in advance is determined by historical experience and is recognised as revenue in proportion to the pattern of redemptions by the customers.

The Group estimates the sales return provision based on accumulated experience.

(ii) Sale of goods – Offline wholesale

Sales are recognised when control of the products has transferred, being at the point the goods have been shipped in accordance with the terms of contract, to the wholesaler. The wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that affects the wholesaler's acceptance of the products.

The goods are often sold with sales discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, if any. No element of financing is deemed present.

(iii) Customer loyalty programme

The Group operates a customer loyalty programme, where certain customers accumulate points for purchases made which entitle them to purchase goods at certain discounts on future purchases. The customer loyalty programme gives rise to a separate performance obligation because it provides a material right to the customer and allocates a portion of the transaction price to the loyalty credits awarded to customers based on the relative stand-alone selling price. The amount allocated to the loyalty programme is recognised as a contract liability, and revenue is recognised when the rewards are redeemed or expire.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Revenue and other income (Continued)

Revenue is recognised when specific criteria have been met for the Group's activity described below: (Continued)

(iv) Others

Shipping revenue is recognised over time when the service is performed.

Income from store credits is recognised when the store credit is expired and unused.

Logistic income generated from logistics and ancillary services are recognised over time when the services are performed.

Consignment sales represents income earned for goods consigned to the Group and is recognised when the control of consigned goods transferred to the customer.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(n) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Share-based payments

The Group issues equity-settled share-based payments to directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium respectively.

(p) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

(r) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Impairment of financial assets and contract assets

The Group recognises a loss allowance for ECL on trade receivables and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk for a particular financial instrument;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor;

– significant increases in credit risk on other financial instruments of the same debtor; or

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk (Continued)

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

– when there is a breach of financial covenants by the counterparty; or

– information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Impairment of financial assets and contract assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

– significant financial difficulty of the issuer or the counterparty;

– a breach of contract, such as a default or past due event;

– the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;

– it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Impairment of financial assets and contract assets (Continued)

Measurement and recognition of ECL (Continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(u) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in Note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Determining the lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in the future years. During the current financial year, no lease term has been reassessed.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Customer loyalty programme

The allocation of the transaction price to the customer loyalty programme requires estimates of the relative stand-alone selling price. Where the actual outcome is different from the original estimate, such difference will impact the carrying amount of deferred revenue and profit or loss in the subsequent period.

The carrying amount of deferred revenue in respect of customer loyalty programme as at 31 December 2023 was US$2,288,000 (2022: US$624,000).

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(ii) Share-based payments

The fair value of the share options granted to the directors and employees determined at the date of grant of the respective share options is expensed over the vesting period, with a corresponding adjustment to the Group's share-based payments reserve. In assessing the fair value of the share options, Binomial Option pricing model was used. The Binomial Option pricing model is one of the generally accepted methodologies used to calculate the fair value of the share options. The Binomial Option pricing model requires the input of assumptions, including the share price, risk free rate, expected volatility, expected dividend yield and expected life of options. Any changes in these assumptions can significantly affect the estimate of the fair value of the share options.

The carrying amount of share-based payments reserve as at 31 December 2023 was US$2,740,000 (2022: US$2,562,000).

(iii) Allowance for slow-moving inventories and net realisable value of inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/writeback in the period in which such estimate has been changed. As at 31 December 2023, the carrying amount of inventories was US$20,849,000 (net of allowance for inventories of US$786,000) (2022: US$11,897,000 (net of allowance for inventories of US$518,000)).

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of the Group entities such as Hong Kong Dollars ("HK$"), South Korean Won ("KRW"), Japanese Yen ("JPY"), British Pound Sterling ("GBP") and Euro ("EUR"). As US$ is pegged to HK$, the Group does not expect any significant movements in the US$/HK$ exchange rate.

The Group currently does not have a formal foreign currency hedging policy but will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The following table indicates the approximate change in the Group's profit/(loss) for the year in response to reasonably possible changes in the foreign exchange rates of KRW, JPY, GBP and EUR to which the Group has significant exposure at the end of the reporting period. The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period has been determined based on the exchange rate fluctuation at the beginning and the end of the year.

	Increase/ (decrease) in foreign exchange	**Effect on profit/(loss) for the year** *US$'000*
At 31 December 2023		
KRW	3%(3%)	62/(62)
JPY	7%(7%)	41/(41)
GBP	5%(5%)	(3)/3
EUR	3%(3%)	17/(17)
At 31 December 2022		
KRW	1%(1%)	33/(33)
JPY	12%(12%)	55/(55)
GBP	10%(10%)	(114)/114
EUR	6%(6%)	11/(11)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency risk (Continued)

The sensitivity analysis of the Group's exposure to currency risk at the reporting date has been determined based on the hypothetical changes in foreign exchange rates which are commensurate with historical fluctuation during the years ended 31 December 2023 and 2022. The assumed changes represent management's assessment of reasonably possible changes in foreign exchange rates over the year until the next reporting date.

(b) Price risk

The management of the Company manages its price risk's exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity security quoted on Hong Kong Exchanges and Clearing Limited.

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 10% higher/lower, profit/(loss) after tax for the year ended 31 December 2023 would increase/decrease (2022: decrease/increase) by US$86,000 (2022: US$119,000). This is solely due to the change in fair value of the share price.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

(i) Credit risk of deposits with banks and financial institutions

As at 31 December 2023 and 2022, all bank balances and bank deposits are held at reputable financial institutions and there is no significant concentration risk to a single counterparty and there is no history of defaults from these counterparties. The ECL is close to zero.

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (Continued)

(ii) Credit risk of trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. The Group's largest customer shared nearly 1.9% and 0.6% of the trade receivables as at 31 December 2023 and 2022 respectively. The Group has policies and procedures to monitor the collection of the trade receivables to limit the exposure to the non-recovery of the receivables and there is no recent history of default for the Group's largest customer.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables generally are due within three months after the date of billing. Debtors with balances that are more than one month past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The ECL rate of trade receivables as at 31 December 2023 and 2022 is less than 1%. Reversal of impairment losses for trade receivables of US$4,000 (2022: US$2,000) was recognised for the year ended 31 December 2023.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2023 **US$'000**	2022 US$'000
At 1 January	**5**	7
Reversal of impairment losses	**(4)**	(2)
At 31 December	**1**	5

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (Continued)

(iii) Credit risk of other financial assets at amortised cost

The Group's other financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. These financial instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(d) Liquidity risk

The Group's policy is to regularly monitor its current and expected liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's financial liabilities is as follows:

	On demand or within 1 year *US$'000*	Between 1 and 2 years *US$'000*	Between 2 and 5 years *US$'000*	Total undiscounted cash flows *US$'000*	Carrying amount *US$'000*
At 31 December 2023					
Trade and other payables and accruals	**12,606**	**–**	**–**	**12,606**	**12,606**
Lease liabilities	**5,517**	**5,179**	**2,806**	**13,502**	**12,184**
At 31 December 2022					
Trade and other payables and accruals	9,647	–	–	9,647	9,647
Lease liabilities	5,036	6,537	6,296	17,869	15,464

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Interest rate risk

The Group's exposure to interest rate risk mainly arises from its bank deposits. These deposits bear interest at variable rates that vary with the then prevailing market condition.

The Group's pledged and non-pledged bank fixed deposits bear interest at fixed interest rates and therefore are subject to fair value interest rate risks.

(f) Categories of financial instruments at 31 December 2023

	2023	2022
	US$'000	*US$'000*
Financial assets:		
Financial assets at FVTPL		
– Investment in a life insurance policy	**869**	835
– An equity security listed in Hong Kong	**863**	1,191
Financial assets measured at amortised cost	**34,468**	27,413
Financial liabilities:		
Financial liabilities at amortised cost	**12,606**	9,647
Lease liabilities	**12,184**	15,464

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. 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.

7. FAIR VALUE MEASUREMENTS (CONTINUED)

Disclosures of level in fair value hierarchy at 31 December 2023

Description	Fair value measurements using: Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total 2023 US$'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**
	863	**869**	**–**	**1,732**

Description	Fair value measurements using: Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total 2022 US$'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
	1,191	835	–	2,026

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

8. REVENUE

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

	2023 US$'000	2022 US$'000
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
	201,339	128,592

8. REVENUE (CONTINUED)

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

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	2022
	US$'000	*US$'000*
Fashion & lifestyle and beauty products	**197,443**	121,535
Entertainment products	**2,718**	6,119
Unallocated	**1,178**	938
	201,339	128,592

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

(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	2022
	US$'000	*US$'000*
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.

9. OTHER INCOME AND OTHER GAINS AND LOSSES

	2023 **US$'000**	2022 US$'000
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 (Note)	**–**	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.

10. 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 Note 4 to 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.

10. SEGMENT INFORMATION (CONTINUED)

Information about operating segment results

	Fashion & lifestyle and beauty products US$'000	Entertainment products US$'000	Unallocated US$'000	Total US$'000
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**
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 US$'000	2022 US$'000
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*

10. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's revenue from external customers by port of destinations and information about its non-current assets by location of assets are detailed below:

Revenue

	2023	2022
	US$'000	*US$'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 *(Note 1)*	**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 *(Note 2)*	**18,127**	9,122
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.

11. FINANCE COSTS

	2023 **US$'000**	2022 US$'000
Interest expense on lease liabilities	**1,144**	950
Interest expense on provision for reinstatement costs	**74**	40
	1,218	990

12. 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*

12. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

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.

The reconciliation between the income tax expense/(credit) and the product of profit/(loss) before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2023 ***US$'000***	2022 *US$'000*
Profit/(loss) before tax	**8,082**	(7,015)
Tax at the Hong Kong Profits Tax rate of 16.5% (2022: 16.5%)	**1,334**	(1,158)
Tax effect of income that is not taxable	**(29)**	(155)
Tax effect of expenses that are not deductible	**162**	241
Tax effect of temporary differences not recognised	**104**	(68)
Tax effect of tax losses not recognised	**103**	1,261
Tax effect of utilisation of tax losses not previously recognised	**(1,284)**	–
Effect of different tax rates of subsidiaries	**85**	27
Tax effect two-tiered Profits Tax rate regime	**(4)**	(13)
Under/(over)-provision in prior years, net	**26**	(347)
Over/(under)-provision in current year, net	**13**	(21)
Income tax expense/(credit)	**510**	(233)

(*) *Less than US$1,000*

13. PROFIT/(LOSS) FOR THE YEAR

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

	2023	2022
	US$'000	*US$'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 *(Note)*	**582**	183
Reversal of write down of inventories *(Note)*	**(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.

14. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2023	2022
	US$'000	*US$'000*
Salaries and allowances	**19,338**	20,112
Equity-settled share-based payments	**232**	216
Retirement benefits scheme contributions	**783**	838
(Reversal of)/provision for defined benefit retirement obligations	**(473)**	503
Discretionary bonus	**1,171**	–
Other employee benefits expenses	**413**	433
	21,464	22,102

14. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(a) Defined contribution retirement plans

The Group contributes to defined contribution retirement plans which are available for all eligible employees.

The Group mainly operates a Mandatory Provident Fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000.

During the years ended 31 December 2023 and 2022, the Group had no forfeited contributions which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2023 and 2022 which may be used by the Group to reduce the contribution payable in future years.

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included one (2022: one) director who emolument is reflected in the analysis presented in Note 15(a). The emoluments of the remaining four (2022: four) individuals were as follows:

	2023 ***US$'000***	2022 *US$'000*
Salaries and allowances	**663**	657
Discretionary bonus	**95**	–
Equity-settled share-based payments *(Note)*	**36**	79
Retirement benefits scheme contributions	**45**	31
	839	767

Note: Equity-settled share-based payments represent amortisation to the profit or loss of the fair value of share options measured at the respective grant dates, regardless the share options could be exercised or not.

14. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following band:

	Number of individuals	
	2023	2022
HK$1,000,001 to HK$1,500,000 (equivalent to US$129,001 to US$193,500)	**3**	3
HK$1,500,001 to HK$2,000,000 (equivalent to US$193,501 to US$258,000)	**–**	–
HK$2,000,001 to HK$2,500,000 (equivalent to US$258,001 to US$322,500)	**1**	1
	4	4

15. BENEFITS AND INTEREST OF DIRECTORS

Directors' remuneration disclosed pursuant to the section 383 of the Companies Ordinance (Cap.622) is as follows:

	2023	2022
	US$'000	*US$'000*
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:		
Fees	**156**	156
Discretionary bonus	**33**	–
Salaries and allowances	**534**	484
Equity-settled share-based payments *(Note)*	**21**	18
Retirement benefits scheme contributions	**6**	6
	750	664

Note: Equity-settled share-based payments represent amortisation to the profit or loss of the fair value of share options measured at the respective grant dates, regardless the share options could be exercised or not.

15. BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

(a) Directors' emoluments

The emoluments of each director were as follows:

	Fees US$'000	Salaries and allowances US$'000	Discretionary bonus US$'000	Equity-settled share-based payments US$'000	Retirement benefit scheme contributions US$'000	Total US$'000
Year ended 31 December 2023						
Executive directors						
Mr. Lau Kwok Chu *(CEO)*	**–**	**271**	**17**	**5**	**2**	**295**
Ms. Chu Lai King *(Chairperson)*	**–**	**132**	**8**	**2**	**2**	**144**
Mr. Chu Kin Hang	**–**	**131**	**8**	**2**	**2**	**143**
Non-executive directors						
Mr. Hui Yat Yan Henry	**26**	**–**	**–**	**2**	**–**	**28**
Mr. Lui Michael Pak-Shing	**26**	**–**	**–**	**2**	**–**	**28**
Mr. Poon Chi Ho	**26**	**–**	**–**	**2**	**–**	**28**
Independent non-executive directors						
Mr. Chan Yu Cheong	**26**	**–**	**–**	**2**	**–**	**28**
Mr. Sin Pak Cheong Philip Charles	**26**	**–**	**–**	**2**	**–**	**28**
Mr. Wong Chee Chung	**26**	**–**	**–**	**2**	**–**	**28**
	156	**534**	**33**	**21**	**6**	**750**
Year ended 31 December 2022						
Executive directors						
Mr. Lau Kwok Chu *(CEO)*	–	271	–	18	2	291
Ms. Chu Lai King *(Chairperson)*	–	130	–	–*	2	132
Mr. Chu Kin Hang *(Note (i))*	–	68	–	–*	1	69
Ms. Wong Shuet Ha *(Note (ii))*	–	15	–	–	1	16
Non-executive directors						
Mr. Hui Yat Yan Henry	26	–	–	–*	–	26
Mr. Lui Michael Pak-Shing	26	–	–	–*	–	26
Mr. Poon Chi Ho	26	–	–	–*	–	26
Independent non-executive directors						
Mr. Chan Yu Cheong	26	–	–	–*	–	26
Mr. Sin Pak Cheong Philip Charles	26	–	–	–*	–	26
Mr. Wong Chee Chung	26	–	–	–*	–	26
	156	484	–	18	6	664

Note: (i) Appointed on 23 June 2022
(ii) Retired on 23 June 2022

* *Less than US$1,000*

15. BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

(a) *Directors' emoluments (Continued)*

Neither the chief executive nor any of the directors waived any emoluments during the year ended 31 December 2023 (2022: nil).

During the years ended 31 December 2023 and 2022, no emoluments were paid or payable by the Group to chief executive, any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) *Directors' material interests in transactions, arrangements or contracts*

Saved as disclosed in Note 37 to the consolidated financial statements, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company was a party and in which the directors of the Company had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2023 and 2022.

(c) *Directors' interests in the shares, underlying shares and debentures of the Company or any specified undertakings of the Company or any other associated corporations*

Details of share options to subscribe shares of the Company held by the directors were as follows:

	Number of share options		
	Outstanding at 1 January 2023	**Exercised during the year**	**Outstanding at 31 December 2023**
Mr. Lau Kwok Chu	**380,000**	**(110,000)**	**270,000**
Ms. Chu Lai King	**70,000**	**–**	**70,000**
Mr. Chu Kin Hang	**10,000**	**–**	**10,000**
Mr. Hui Yat Yan Henry	**10,000**	**–**	**10,000**
Mr. Lui Michael Pak-Shing	**10,000**	**–**	**10,000**
Mr. Poon Chi Ho	**10,000**	**–**	**10,000**
Mr. Chan Yu Cheong	**10,000**	**–**	**10,000**
Mr. Sin Pak Cheong Philip Charles	**10,000**	**–**	**10,000**
Mr. Wong Chee Chung	**10,000**	**–**	**10,000**
	520,000	**(110,000)**	**410,000**

15. BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

(c) Directors' interests in the shares, underlying shares and debentures of the Company or any specified undertakings of the Company or any other associated corporations (Continued)

Details of share options to subscribe shares of the Company held by the directors were as follows: (Continued)

	Number of share options		
	Outstanding at 1 January 2022	Granted during the year	Outstanding at 31 December 2022
Mr. Lau Kwok Chu	370,000	10,000	380,000
Ms. Chu Lai King	60,000	10,000	70,000
Mr. Chu Kin Hang	–	10,000	10,000
Mr. Hui Yat Yan Henry	–	10,000	10,000
Mr. Lui Michael Pak-Shing	–	10,000	10,000
Mr. Poon Chi Ho	–	10,000	10,000
Mr. Chan Yu Cheong	–	10,000	10,000
Mr. Sin Pak Cheong Philip Charles	–	10,000	10,000
Mr. Wong Chee Chung	–	10,000	10,000
	430,000	90,000	520,000

Details of the share option schemes are set out in Note 32.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 December 2023 and 2022.

16. DIVIDEND

	2023 US$'000	2022 US$'000
Dividend paid		
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.

17. EARNINGS/(LOSS) PER SHARE

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

	2023 US$'000	2022 US$'000
Profit/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share	**7,573**	(6,782)

	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**396,140**	395,951

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.

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *US$'000*	Furniture and fixtures *US$'000*	Computer software and equipment *US$'000*	Motor vehicles *US$'000*	Total *US$'000*
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)
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)
At 31 December 2023	3,441	1,016	5,648	139	10,244
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)
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)
At 31 December 2023	2,115	664	3,086	59	5,924
Carrying amount					
At 31 December 2023	1,326	352	2,562	80	4,320
At 31 December 2022	1,626	603	2,930	108	5,267

19. RIGHT-OF-USE ASSETS

	Leased properties *US$'000*	Office equipment *US$'000*	Total *US$'000*
At 1 January 2022	11,635	310	11,945
Additions	12,511	–	12,511
Remeasurement upon modification of leases *(Note (a))*	(4,523)	–	(4,523)
Depreciation	(5,391)	(86)	(5,477)
Exchange differences	3	(1)	2
At 31 December 2022 and 1 January 2023	**14,235**	**223**	**14,458**
Additions	**746**	**–**	**746**
Depreciation	**(4,508)**	**(86)**	**(4,594)**
Exchange differences	**(15)**	**–***	**(15)**
At 31 December 2023	**10,458**	**137**	**10,595**

* *Less than US$1,000*

Note:

(a) (i) The Group leased two properties for 6 years and 5 years (including 3 years extension option exercised) as offices since 2020 and 2021 respectively. The leased properties were recognised as right-of-use assets during the year ended 31 December 2021. The leases were modified through shortening the contractual lease terms and changing the considerations in July 2022 and December 2022 respectively. As the result, the corresponding right-of-use assets were adjusted by deducting US$2,845,000, resulting in a gain on remeasurement of leases of US$107,000.

(ii) During the year ended 31 December 2022, the Group terminated the lease of certain properties. Therefore, the Group derecognised the related right-of-use assets of US$1,678,000, resulting in a gain on derecognition of lease of US$101,000 being recognised in profit or loss for the year.

19. RIGHT-OF-USE ASSETS (CONTINUED)

Note: (Continued)

(b) Lease liabilities of US$12,184,000 (2022: US$15,464,000) are recognised with related right-of-use assets of US$10,268,000 (2022: US$14,048,000) as at 31 December 2023. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

	2023	2022
	US$'000	*US$'000*
Depreciation expenses on right-of-use assets	**4,594**	5,477
Interest expense on lease liabilities (included in finance costs)	**1,144**	950
Expenses relating to short-term lease (included in administrative expenses)	**95**	117

(c) Details of total cash outflow for leases is set out in Note 33(b).

(d) The Group leases various leased properties and office equipment for its operations. Lease contracts are entered into for fixed terms of 2 years to 4 years, but may have extension and termination options as described below. Certain leases of office equipment were accounted for as finance leases during the reporting period and carried interest ranging from 1.96% to 2.64% (2022: from 1.96% to 2.64%). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

(e) Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to these future lease payments is summarised below:

	Lease liabilities recognised (discounted)		**Potential future lease payments under extension options not included in lease liabilities (undiscounted)**	
	2023	2022	**2023**	2022
	US$'000	*US$'000*	***US$'000***	*US$'000*
Warehouses – Hong Kong	**8,456**	10,584	**12,607**	11,804

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 December 2023, there has been no such triggering event.

20. FINANCIAL ASSETS AT FVTPL

	2023 US$'000	2022 US$'000
Investment in life insurance policy *(Note (i))*	**869**	835
An equity security listed in Hong Kong *(Note (ii))*	**863**	1,191
	1,732	2,026

Note:

(i) In August 2019, the Company's subsidiary, YesStyle.com Limited, entered into a life insurance policy with an insurance company to insure Mr. Lau Kwok Chu, a director of the Company. Under the policy, the beneficiary and the policy holder is YesStyle.com Limited and the total insured sum is US$2,462,000. The Group was required to pay a one-off premium payment of US$860,000 at the inception of the policy. A guaranteed interest rate of 3.9% per annum applied for the first 5 years, followed by the discretionary portion with a minimum guaranteed interest rate of 2.25% per annum for the following years until termination. The Group can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal ("Cash Surrender Value"), which is determined by the premium payment plus accumulated guaranteed interest earned minus the accumulated insurance charges, policy expense charges and a specified amount of surrender charge if the withdrawal is made between 1st to 16th policy year.

The carrying amount represented the Cash Surrender Value of the policy and approximates its fair value at the end of the reporting period. Details of fair value measurement are set out in Note 7 to the consolidated financial statements.

(ii) It represents an investment in CN Logistics International Holdings Limited ("CN Logistics"), a company incorporated in the Cayman Islands with limited liability, with its shares listed on the Main Board of the Stock Exchange (stock code: 2130) and comprises 1,100,000 subscription shares of CN Logistics for a total cash consideration of HK$10,120,000 at the subscription price of HK$9.20 per subscription share. CS Logistics Holding Ltd., a controlling shareholder of CN Logistics, is a cornerstone investor in the global offering of the Company in July 2021.

The carrying amount of the financial asset is mandatorily measured at fair value through profit or loss in accordance with HKFRS 9 and the investment offers the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair value of the investment in CN Logistics is based on the closing price as at 31 December 2023.

21. 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
	US$'000	*US$'000*
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
	4,678	2,148

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2023	2022
	US$'000	*US$'000*
US$	**1,486**	826
EUR	**1,355**	425
GBP	**497**	201
Australian dollar	**217**	149
HK$	**186**	177
Canadian dollar	**185**	80
Mexican Pesos	**110**	4
Saudi Arabia Riyal	**233**	40
JPY	**4**	100
Others	**406**	151
	4,679	2,153
Less: Impairment losses	**(1)**	(5)
	4,678	2,148

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023	2022
	US$'000	*US$'000*
Prepayments		
Prepayment to suppliers	**1,769**	1,297
Prepaid rental	**7**	7
Prepaid selling expenses	**198**	252
Prepaid administrative expenses	**461**	521
	2,435	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
	2,206	2,266
Other receivables		
Export tax refundable	**1,080**	860
Others	**99**	163
	1,179	1,023
	5,820	5,366
Analysed as:		
Current assets	**4,197**	3,668
Non-current assets	**1,623**	1,698
	5,820	5,366

23. BANK FIXED DEPOSITS AND BANK AND CASH BALANCES

(a) Bank fixed deposits

	Note	**2023**	2022
		US$'000	*US$'000*
Pledged bank fixed deposits	(i)	**1,257**	3,179
Non-pledged bank fixed deposits	(ii)	**9,170**	4,948
		10,427	8,127

The average interest rates of the Group's bank fixed deposits were as follows:

	2023	2022
	%	*%*
Pledged bank fixed deposits	**4.15**	2.65
Non-pledged bank fixed deposits	**4.64**	2.86

The Group's bank fixed deposits bear interest of fixed interest rates per annum and therefore are subject to fair value interest rate risk.

Note:

(i) The Group's pledged bank fixed deposits represented deposits pledged to banks as securities for the banking facilities of the corporate credit cards and letters of guarantee for a supplier and services providers granted to the Group.

(ii) The Group's non-pledged bank fixed deposits with original maturity beyond three months were US$93,000 and US$2,121,000 respectively. These fixed deposits are denominated in the following currencies:

	2023	2022
	US$'000	*US$'000*
US$	**–**	2,026
KRW	**93**	95
	93	2,121

(b) Bank and cash balances

At 31 December 2023, the bank balance of US$Nil (2022: US$17,000) was restricted from being used.

23. BANK FIXED DEPOSITS AND BANK AND CASH BALANCES (CONTINUED)

(c) Bank fixed deposits and bank and cash balances

The carrying amounts of the Group's bank fixed deposits and bank and cash balances are denominated in the following currencies:

	2023 **US$'000**	2022 US$'000
US$	**17,639**	11,827
HK$	**5,725**	5,645
KRW	**1,479**	3,336
JPY	**632**	419
GBP	**144**	272
EUR	**520**	272
Others	**299**	205
	26,438	21,976

24. TRADE AND OTHER PAYABLES AND ACCRUALS

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

24. TRADE AND OTHER PAYABLES AND ACCRUALS (CONTINUED)

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

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

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2023	2022
	US$'000	*US$'000*
US$	**221**	99
HK$	**5,437**	3,771
KRW	**33**	99
JPY	**35**	87
Renminbi ("RMB")	**40**	69
Others	**61**	18
	5,827	4,143

25. CONTRACT LIABILITIES

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

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.

26. PROVISIONS

	Sales return *US$'000*	Employee benefits *US$'000*	Reinstatement costs *US$'000*	Total *US$'000*
At 1 January 2022	102	566	595	1,263
Additional provisions	28	491	440	959
Provisions used	–	–	(151)	(151)
Interest expense	–	–	40	40
Exchange differences	–	(19)	(87)	(106)
At 31 December 2022 and 1 January 2023	**130**	**1,038**	**837**	**2,005**
(Reversal of provisions)/ additional provisions	**24**	**(458)**	**34**	**(400)**
Provisions used	**–**	**(5)**	**(190)**	**(195)**
Interest expense	**–**	**–**	**74**	**74**
Exchange differences	**–**	**(9)**	**(3)**	**(12)**
At 31 December 2023	**154**	**566**	**752**	**1,472**

	2023 ***US$'000***	2022 *US$'000*
Analysed as:		
Current liabilities	**371**	1,362
Non-current liabilities	**1,101**	643
	1,472	2,005

27. LEASE LIABILITIES

	2023	2022
	US$'000	*US$'000*
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
	US$'000	*US$'000*	***US$'000***	*US$'000*
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

27. LEASE LIABILITIES (CONTINUED)

As at 31 December 2023, the Group has leased certain of its office equipment under finance leases. The average lease term is 5 years.

The incremental borrowing rates applied to lease liabilities range from 1.96% to 17.81% (2022: 1.96% to 17.81%).

The carrying amount of the Group's lease liabilities are denominated in the following currencies:

	2023	2022
	US$'000	*US$'000*
HK$	**12,047**	15,194
KRW	**15**	101
JPY	**122**	169
	12,184	15,464

28. DEFERRED TAX ASSETS

As at 31 December 2023 and 2022, the Group has unutilised tax losses of US$3,011,000 and US$9,006,000 respectively available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams together with the majority of the aforesaid unused tax losses of the Group have not yet been agreed by respective tax authorities.

As at 31 December 2023 and 2022, the Group's tax losses will expire in the following years:

	2023	2022
	US$'000	*US$'000*
On 31 December 2023	**–**	71
On 31 December 2024	**224**	242
On 31 December 2025	**109**	117
On 31 December 2026	**142**	152
On 31 December 2027	**132**	142
On 31 December 2030	**56**	60
On 31 December 2031	**354**	381
On 31 December 2032	**476**	512
On 31 December 2033	**33**	–
	1,526	1,677
No expiry date	**1,485**	7,329
	3,011	9,006

29. SHARE CAPITAL

	Number of shares	Amount *US$'000*
Issued and fully paid:		
At 1 January 2022	395,905,910	20,482
Issue of shares under share option scheme	56,000	12
At 31 December 2022 and 1 January 2023	**395,961,910**	**20,494**
Issue of shares under share option scheme	**1,162,000**	**146**
At 31 December 2023	**397,123,910**	**20,640**

During the year ended 31 December 2023, 1,162,000 (2022: 56,000) ordinary shares of the Company were issued under share option scheme. The net proceeds of US$92,000 (2022: US$7,000) were credited to share capital with the average market price of approximately US$0.09 (2022: US$0.16) per share at the respective exercise days.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the members through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares, buy-back shares, raise new debts, redeemed existing debts or sell assets to reduce debts.

The Group monitors capital using a gearing ratio, which is the Group's total debts (comprising lease liabilities) over its total equity. The Group's policy is to keep the gearing ratio at a reasonable level. The Group's gearing ratios as at 31 December 2023 was 34.8% (2022: 57.0%). The decrease in the gearing ratio of the Group is primarily due to the decrease in lease liabilities and the increase in equity as a result of the profit generated for the year ended 31 December 2023.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the banking facilities granted.

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this annual report, the Company has maintained sufficient public float with at least 25% of the shares held by the public as required under the Listing Rules.

There have been no breaches in the financial covenants of any of these banking facilities for the years ended 31 December 2023 and 2022.

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	At 31 December **2023** ***US$'000***	2022 *US$'000*
Non-current assets			
Property, plant and equipment		**2,790**	3,533
Investments in subsidiaries	35	**391**	391
Financial assets at FVTPL		**863**	1,191
Total non-current assets		**4,044**	5,115
Current assets			
Prepayments and other receivables		**151**	251
Amounts due from subsidiaries	35	**21,657**	13,561
Bank and cash balances		**3,807**	4,379
Total current assets		**25,615**	18,191
Current liabilities			
Trade and other payables and accruals		**1,505**	831
Amounts due to subsidiaries		**1,387**	192
Provisions		**80**	378
Total current liabilities		**2,972**	1,401
Net current assets		**22,643**	16,790
Total assets less current liabilities		**26,687**	21,905
Non-current liabilities			
Provisions		**10**	–
Net assets		**26,677**	21,905
Capital and reserves			
Share capital	29	**20,640**	20,494
Reserves	31(b)	**6,037**	1,411
Total equity		**26,677**	21,905

Approved by the Board of Directors on 28 March 2024 and signed on its behalf by:

Mr. LAU Kwok Chu Ms. CHU Lai King

31. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) The Company

	Share-based payments reserve US$'000	(Accumulated losses)/ retained earnings US$'000	Total US$'000
At 1 January 2022	2,351	(1,151)	1,200
Profit for the year	–	2,555	2,555
Issue of shares under share option scheme *(Note 29)*	(5)	–	(5)
Recognition of share-based payments *(Note 32)*	216	–	216
Dividend paid *(Note 16)*	–	(2,555)	(2,555)
At 31 December 2022 and 1 January 2023	**2,562**	**(1,151)**	**1,411**
Profit for the year	**–**	**4,448**	**4,448**
Issue of shares under share option scheme *(Note 29)*	**(54)**	**–**	**(54)**
Recognition of share-based payments *(Note 32)*	**232**	**–**	**232**
At 31 December 2023	**2,740**	**3,297**	**6,037**

(c) Nature and purpose of reserves

(i) Share-based payments reserve

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for share-based payments in Note 4(o) to the consolidated financial statements.

(ii) Capital reserve

The capital reserve of the Group represents the interest contributed by holders of Series B preferred shares to YesAsia.com, Inc., the then holding company of the Group.

(iii) Merger reserve

The merger reserve of the Group represents the difference between the nominal value of shares of YesAsia.com, Inc. acquired pursuant to the reorganisation over the nominal value of the share capital of the Company issued in exchange therefor.

31. RESERVES (CONTINUED)

(c) Nature and purpose of reserves (Continued)

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 4(c)(iii) to the consolidated financial statements.

32. SHARE-BASED PAYMENTS

2005 Share Option Scheme

The Company adopted a share option scheme on 2 June 2005 (the "2005 Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. The 2005 Share Option Scheme expired in 2015 and the Company can no longer grant any further options under the 2005 Share Option Scheme.

However, the terms of the 2005 Share Option Scheme allow the options to have a maximum exercise period of ten years from the date of grant of the respective options and all outstanding options granted prior to the expiration of the 2005 Share Option Scheme would remain effective, and the expiration of the 2005 Share Option Scheme would not result in the termination of any options already granted.

At 31 December 2023 and 2022, details of the specific categories of share options outstanding under the 2005 Share Option Scheme are as follows:

	Grant date	**Expiry date**	**Exercise price per option**	**No. of share options outstanding *(Note)***	
			US$	**2023**	2022
Directors and total for the 2005 Share Option Scheme	25 July 2013	25 July 2023	0.50	**–**	10,000

Note:

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

(ii) The 2005 Share Option Scheme expired in 2015 and the Company can no longer grant any further share options under the 2005 Share Options Scheme.

(iii) The default vesting schedule of the 2005 Share Option Scheme is as follows: (i) 25% of all the share options granted will become vested on the first anniversary of the vesting start date as specified in the share option agreement and (ii) 6.25% of the share options granted will become vested as at the end of each three month period after the vesting start date.

32. SHARE-BASED PAYMENTS (CONTINUED)

2016 Share Option Scheme

The Company adopted a share option scheme on 30 June 2016 (the "2016 Share Option Scheme") for the purpose of enabling the Company to attract and retain qualified employees of providing them with an opportunity for investment in the Company.

The 2016 Share Option Plan will expire on 30 June 2026. However, as the Company became listed on the Stock Exchange on 9 July 2021, no further share options can be granted under the 2016 Share Option Scheme.

At 31 December 2023 and 2022, details of the specific categories of share options outstanding under the 2016 Share Option Scheme are as follows:

	Grant date	Expiry date	Exercise price per option	No. of share options outstanding *(Note)*	
			US$	**2023**	2022
Directors	28 July 2016	28 July 2026	0.80	**140,000**	240,000
	15 August 2019	15 August 2029	1.55	**180,000**	180,000
Employees	28 July 2016	28 July 2026	0.80	**2,451**	2,451
	27 April 2017	27 April 2027	0.80	**625**	625
	10 August 2017	10 August 2027	0.80	**1,250**	1,250
	27 April 2018	27 April 2028	1.20	**48,488**	50,988
	26 July 2018	26 July 2028	1.20	**53,125**	60,625
	24 January 2019	24 January 2029	1.20	**78,175**	83,175
	25 April 2019	25 April 2029	1.55	**73,443**	74,005
	15 August 2019	15 August 2029	1.55	**33,000**	33,000
	6 February 2020	6 February 2030	1.55	**133,200**	155,700
	23 April 2020	23 April 2030	2.01	**248,000**	263,000
	30 July 2020	30 July 2030	2.01	**50,000**	50,000
	29 October 2020	29 October 2030	2.01	**240,000**	240,000
	28 January 2021	28 January 2031	2.01	**140,000**	140,000
	29 April 2021	29 April 2031	2.01	**418,000**	465,000
Total for the 2016 Share Option Scheme				**1,839,757**	2,039,819

Note:

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

(ii) As the Company became listed on the Stock Exchange on 9 July 2021, no further share options can be granted under the 2016 Share Option Scheme.

(iii) The default vesting schedule of the 2016 Share Option Scheme is as follows: (i) 25% of all the share options granted will become vested on the first anniversary of the vesting start date as specified in the share option agreement and (ii) 6.25% of the share options granted will become vested as at the end of each three month period after the vesting start date.

32. SHARE-BASED PAYMENTS (CONTINUED)

Post-IPO Share Option Scheme

A post-IPO share option scheme was adopted by the Company on 13 March 2021, which was conditional upon the listing of the Shares on the Stock Exchange and came into effect on the Listing Date (the "Post-IPO Share Option Scheme"). The Post-IPO Share Option Scheme will expire on 8 July 2031. The purpose of the Post-IPO Share Option Scheme is to advance the interests of the Company and its shareholders by enabling the Company to attract and retain qualified employees or directors of the Company and/or its subsidiaries through providing them with an opportunity for investment in the shares of the Company.

The total number of shares which may be issued upon exercise of all share options to be granted under the Post-IPO Share Option Scheme is 39,539,079 (equivalent 3,953,908 options), being the maximum 10% of the ordinary shares in issue on the Listing Date.

Details of the specific categories of share options outstanding under the Post-IPO Share Option Scheme as at 31 December 2023 and 2022 are as follows:

	Grant date	Expiry date	Exercise price per option	No. of share options outstanding *(Note)*	
			US$	**2023**	2022
Directors	31 October 2022	30 October 2032	0.75[i]	**90,000**	90,000
Employees	30 August 2021	29 August 2031	3.16[ii]	**35,000**	40,000
	29 October 2021	28 October 2031	1.84[iii]	**10,000**	10,000
	21 April 2022	20 April 2032	1.50[iv]	**195,500**	221,000
	31 October 2022	30 October 2032	0.75[i]	**40,000**	45,000
	21 April 2023	20 April 2033	0.66[v]	**196,000**	–
	27 October 2023	26 October 2033	0.61[vi]	**25,000**	–
				591,500	406,000

(i) Equivalent to the exercise price per share option denominated in HK$ of HK$5.80.

(ii) Equivalent to the exercise price per share option denominated in HK$ of HK$24.48.

(iii) Equivalent to the exercise price per share option denominated in HK$ of HK$14.28.

(iv) Equivalent to the exercise price per share option denominated in HK$ of HK$11.60.

(v) Equivalent to the exercise price per share option denominated in HK$ of HK$5.10.

(vi) Equivalent to the exercise price per share option denominated in HK$ of HK$4.70.

Note:

(i) Following the announcement of the Company dated on 30 August 2021, 29 October 2021, 21 April 2022, 31 October 2022, 21 April 2023 and 27 October 2023, each grantee shall receive 10 ordinary shares for each share option under the Post-IPO Share Option Scheme exercised.

(ii) The default vesting schedule of the Post-IPO Share Option Scheme is as follows: (i) 25% of all the options granted will become vested on the first anniversary of the vesting start date as specified in the share option agreement and (ii) 6.25% of the share options granted will become vested as at the end of each three month period after the vesting start date.

32. SHARE-BASED PAYMENTS (CONTINUED)

Details of the movement of share options granted during the year are as follows:

	2023		2022	
	Number of share options	**Weighted average exercise price per share option *(Note)* *US$***	Number of share options	Weighted average exercise price per share option *(Note)* *US$*
Outstanding at 1 January	**2,455,819**	**1.64**	2,392,881	1.75
Granted during the year	**223,500**	**0.65**	377,500	1.22
Exercised during the year	**(116,200)**	**0.80**	(5,600)	1.20
Forfeited during the year	**(131,862)**	**1.75**	(308,962)	1.95
Outstanding at 31 December	**2,431,257**	**1.58**	2,455,819	1.64
Exercisable at 31 December	**1,658,132**	**1.67**	1,321,069	1.56

Note: Following the Share Split which took effect on 9 June 2021, each grantee shall receive 10 ordinary shares for each outstanding share option granted under the share option scheme exercised. Therefore, the weighted average exercisable price per share under share options granted as at 31 December 2023 is US$0.17 (2022: US$0.16).

The share options outstanding at the end of the year have a weighted average remaining contractual life of 6.75 years as at 31 December 2023 (2022: 7.33 years).

During the year ended 31 December 2022, 237,500 and 140,000 share options were granted under Post-IPO Share Option Scheme on 21 April 2022 and 31 October 2022 respectively and the total estimated fair value of these share options on the date of grant was US$180,000.

During the year ended 31 December 2023, 198,500 and 25,000 share options were granted under Post-IPO Share Option Scheme on 21 April 2023 and 27 October 2023 respectively and the total estimated fair value of these share options on the date of grant was US$56,000.

32. SHARE-BASED PAYMENTS (CONTINUED)

The fair value was calculated using the Binomial Option pricing model. The inputs into the model are as follows:

For the year ended 31 December 2023

	Share option granted on	
	21 April 2023	**27 October 2023**
Stock price	**US$0.066(*)**	**US$0.058(*)**
Exercise price per option	**US$0.658**	**US$0.606**
Expected volatility	**50.01%**	**52.65%**
Expected life	**10 years**	**10 years**
Risk free rate	**3.15%**	**4.31%**
Expected dividend yield	**4.13%**	**4.13%**

(*) Equivalent to the stock price denominated in HK$ of HK$0.51 and HK$0.45 respectively.

For the year ended 31 December 2022

	Share option granted on	
	21 April 2022	31 October 2022
Stock price	US$0.15(*)	US$0.07(*)
Exercise price per option	US$1.50	US$0.75
Expected volatility	50.08%	50.81%
Expected life	10 years	10 years
Risk free rate	2.71%	3.93%
Expected dividend yield	4.13%	4.13%

(*) Equivalent to the stock price denominated in HK$ of HK$1.16 and HK$0.56 respectively.

Average of industry annualised historical share price volatility is deemed to be the expected volatility of the share price of the Company. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recorded total expenses of US$232,000 (2022: US$216,000) during the year ended 31 December 2023 in respect of the share option schemes.

33. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) *Reconciliation of liabilities arising from financing activities*

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes			
	As at 1 January 2023 *US$'000*	**Net cash flows** *US$'000*	**Addition of right-of-use assets** *US$'000*	**Exchange difference** *US$'000*	**Re-measurement upon modification** *US$'000*	**As at 31 December 2023** *US$'000*
Lease liabilities *(Note 27)*	**15,464**	**(3,966)**	**704**	**(18)**	**–**	**12,184**

			Non-cash changes			
	As at 1 January 2022 US$'000	Net cash flows US$'000	Addition of right-of-use assets US$'000	Exchange difference US$'000	Re-measurement upon modification US$'000	As at 31 December 2022 US$'000
Lease liabilities *(Note 27)*	12,758	(4,634)	12,286	6	(4,952)	15,464

(b) *Total cash outflow for leases*

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2023 ***US$'000***	2022 *US$'000*
Within operating cash flows	**1,239**	1,067
Within financing cash flows	**3,966**	4,634
	5,205	5,701

33. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) *Total cash outflow for leases (Continued)*

These amounts relate to the following:

	2023 **US$'000**	2022 *US$'000*
Lease rental paid	**5,205**	5,701

(c) *Major non-cash transactions*

During the year ended 31 December 2023, the Group entered into new lease agreements for leased properties for 2 years to 3 years (2022: 2 years to 4 years). On the leases commencement, the Group has non-cash addition to right-of-use assets, lease liabilities and provision of reinstatement cost of US$746,000 (2022: US$12,511,000), US$704,000 (2022: US$12,286,000) and US$42,000 (2022: US$225,000) respectively.

34. OPERATING LEASE ARRANGEMENTS

(a) On 27 December 2023, the Group entered into a new lease for the use of office that is not yet commenced, with non-cancellable period of 3 years from 1 January 2024 to 31 December 2026 without extension option, the total future undiscounted cash flows over the non-cancellable period amounted to US$510,000 (2022: US$Nil).

(b) The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2023 **US$'000**	2022 *US$'000*
Within one year *(Note)*	**–**	78

Note: During the year ended 31 December 2023, the Group entered into short-term leases for warehouses and the outstanding lease commitments relating to the warehouses were US$Nil (2022: US$78,000).

35. INVESTMENTS IN SUBSIDIARIES

	2023 US$'000	2022 US$'000
Unlisted investments, at cost	**391**	391
Amounts due from subsidiaries	**21,657**	13,561

As at 31 December 2023 and 2022, the amounts due from subsidiaries are unsecured, interest free and repayment on demand.

Particulars of the Company's principal subsidiaries as at 31 December 2023 and 2022 are as follows:

Name	Principal country of operation and place of incorporation, kind of legal entity	Issued and fully paid up capital	Equity interest of the Group 2023	Equity interest of the Group 2022	Principal activities
Direct held					
AsianBeautyWholesale (Hong Kong) Limited	Hong Kong, limited liability company	HK$1	**100%**	100%	Trading of beauty products
YesAsia.com. Japan Kabushiki Kaisha (iesu asia dotto comu japan kabushiki kaisha)	Japan, limited liability company	JPY10,000,000	**100%**	100%	Trading of entertainment products, fashion wears and accessories
YesAsia.com Limited	Hong Kong, limited liability company	HK$39,000,002	**100%**	100%	Trading of entertainment products and investment holding
YesStyle.com Limited	Hong Kong, limited liability company	HK$1	**100%**	100%	Trading of fashion wears, cosmetics and accessories
Indirect held					
YAKR	South Korea, limited liability company	KRW50,000,000	**100%**	100%	Trading of entertainment products, fashion wears and accessories
YA Logistics Limited	Hong Kong, limited liability company	HK$1	**100%**	100%	Logistics and warehouse services
AsianBeautyWholesale Castlers Limited	Hong Kong, limited liability company	HK$5,000,000	**70%**	–	Business not yet commenced

36. OBLIGATION TO PAY LONG SERVICE PAYMENT UNDER HONG KONG EMPLOYMENT ORDINANCE (CHAPTER 57)

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payment ("LSP") in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme (see Note 14), with an overall cap of HK$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

In June 2022, the HKSAR gazetted the Amendment Ordinance, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The abolition will officially take effect on 1 May 2025 (the "Transition Date"). Separately, the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date long service payment obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

The Group has determined that the Amendment Ordinance primarily impacts the Group's LSP liability with respect to Hong Kong employees that participate in MPF Scheme and has confirmed that the abolition has no material impact to the financial position of the Group as at 31 December 2023.

37. 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 as disclosed in Note 15 and certain of the highest paid employees as disclosed in Note 14(b), is as follows:

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

(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	2022
	US$'000	*US$'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)

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.

38. CAPITAL COMMITMENTS

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

	2023	2022
	US$'000	*US$'000*
Property, plant and equipment	**33**	11

39. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period up to the date of this report.