



YesAsia Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock code : 2209.HK)

Announces 2023 Interim Results

Revenue increased by 44.1% to US\$90.7 million

Revenue from Beauty Products surged by over 120% with new beauty products-focused promotion strategy

Notable Turnaround with Net Profit of approx. US\$1.6 million and historical high in the first-half revenue

Financial highlights

US\$ '000	For the six months ended 30 June		
	2023	2022	Change
Revenue	90,657	62,905	+44.1%
• Fashion and Lifestyle Products	19,041	26,813	-29.0%
• Beauty Products	69,833	31,507	+121.6%
• Entertainment Products	1,179	3,878	-69.6%
Gross profit	28,182	21,778	+29.4%
Profit/(loss) for the period	1,563	(2,264)	-ve to +ve
Number of e-commerce platform customers	796,000	570,000	+39.6%
Average order size (US\$)	78.9	63.4	+24.4%
Acquisition cost per new customer (US\$)	9.6	12.0	-20.0%

(25 August 2023 – Hong Kong) **YesAsia Holdings Limited** (“YesAsia”, and together with its subsidiaries, the “Group”) (stock code: 2209) is pleased to announce its unaudited consolidated results for the 6 months ended 30 June 2023 (the “Period”).

During the Period, the Group achieved substantial revenue growth with a significant increase of 44.1% as compared to the 6 months ended 30 June 2022 (the “Prior Period”), translating to approximately US\$90.7 million in revenue, up from the previous figure of US\$62.9 million during the Prior Period. This remarkable turnaround was fuelled primarily by a robust 121.6% increase in sales of beauty products on both the Group’s YesStyle and AsianBeautyWholesale platforms. This is a historical high in the Group’s first-half revenue history, and reverses the losses incurred in 2021 and 2022 to achieve a net profit of approximately US\$1.6 million during the Period (Prior Period: US\$2.3 million loss).

YesStyle

Revenue contributed to the Group by YesStyle platforms increased by 32.0% to US\$71.5 million (Prior Period: US\$54.1 million), which was driven by increasing sales of beauty products, and represents 78.8% of total revenue. Starting January 2023, YesStyle platforms implemented a new “front page” and “beauty-products-focused” promotional strategy to support the Group’s lucrative beauty segment, and bolstered numerous marketing initiatives to further support beauty product sales. The Group also strengthened its partnerships with two popular K-Beauty companies, Amorepacific Corporation and CJ Olive Young Corporation, while adding to its e-commerce platforms 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*.

AsianBeautyWholesale (ABW)

ABW continued to grow rapidly during the Period. The number of customers grew by approximately 174.8% as compared to the Prior Period. The increase in number of orders, and average size of orders, which grew by approximately 212.7% and 34.3% respectively as compared to the Prior Period, led to a significant revenue rise for ABW, reaching approximately US\$17.4 million during the Period and marking an impressive 317.4% increase as compared to the Prior Period. Also greatly contributing to the aforementioned robust growth is ABW’s expansion to serve more business-to-business (B2B) customers looking to source Asian beauty products globally.

YesStyle Influencer Program

The YesStyle Influencer Program showed strong growth during the Period, with the total number of unique influencers growing to approximately 311,000, representing an increase of approximately 11.4% since December 2022. Revenue generated from influencer referrals amounted to approximately US\$15.8 million (Prior Period: US\$9.3 million), representing a growth of approximately 69.9%. Revenue generated from influencer referrals as a percentage of YesStyle platforms revenue increased to approximately 22.1% during the Period (Prior Period: 17.3%).

YesAsia

For YesAsia, revenue for the Period decreased by approximately 69.6% as compared to that in the Prior Period. The decrease was mainly due to a lack of popular new releases during the Period.

CRM system

To maximize outreach and deliver the highest value possible to its existing customers, YesAsia took a strategic leap by implementing a robust CRM System. During the Period, revenue facilitated by the CRM System amounted to approximately US\$11.5 million (Prior Period: US\$5.6 million). In addition, the number of YesStyle loyalty program members increased to approximately 9,749,000 as at 30 June 2023 (31 December 2022: 8,272,000), representing an increase of approximately 17.9% during the Period.

Cost-Saving measures

The Group devoted much effort to supporting revenue growth during the Period, and expenses grew correspondingly with increasing sales. As a common practice, the Group continued to monitor expenditure growth during the Period. Selling expenses, excluding payment processing fees, amounted to approximately US\$8.8 million for the Period (Prior Period: US\$7.5 million), representing an increase of 18.6% and an incremental rate lower than the revenue growth of 44.1%.

In addition, administrative staff costs decreased to approximately US\$8.1 million during the Period (Prior Period: US\$9.1 million), falling by approximately 10.6% as compared to the Prior Period.

Outlook

Mr. Lau Kwok Chu, Founder and Chief Executive Officer of YesAsia, commented, “We are delighted by the outstanding results for the first half of the year, especially in our fast-growing beauty segment. The beauty industry has not only become an integral part of people's daily lives but also a cultural sensation, with Korean beauty products captivating hearts worldwide. This synergy of quality and cultural allure has raised the global K-Beauty market into a flourishing realm, an undeniable opportunity, and a pivotal driver for our Group's success.

As our revenue continues to surge, our operational efficiency remains paramount on our agenda. We've embarked on a journey to streamline our processes and enhance our operations. In addition to our newly implemented CRM system, we deployed 161 autonomous mobile robots (AMRs) in our Smart Robotics Warehouse, a leap that took place in October 2022. This strategic move positions us to harness cost-saving benefits as order volume climbs, promising an even brighter trajectory in the years ahead.

The e-commerce landscape has seen its fluctuations, particularly as we transitioned from the throes of the pandemic. Our forward-thinking strategies anticipated this shift as lockdowns eased and people embraced a more mobile lifestyle. This foresight ensured that we remained on the right track, aligning our efforts with the evolving market dynamics. In the spirit of transformation, I'm proud to report that we've made significant strides in the first half of 2023. We remain committed to executing our business strategy with diligence and determination to pursue steady business growth and to expand profitability for the rest of 2023 and in coming years.”

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About YesAsia Holdings Limited

Established in 1997, YesAsia is an online retailer headquartered in Hong Kong that engages in the procurement and sale of Asian fashion, beauty, lifestyle and entertainment products to customers around the world. Its mission is to become the go-to e-commerce gateway that bridges Asian products with customers worldwide. The Group operates three major e-commerce platforms: YesAsia, an e-commerce retail platform for entertainment products; YesStyle, an e-commerce B2C platform serving the increasing popularity of Asian beauty, fashion and lifestyle products, in particular Korean beauty products; and AsianBeautyWholesale, a B2B platform for Asian beauty products.

This press release is issued by DLK Advisory Limited on behalf of **YesAsia Holdings Limited**
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