

TARGET

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YESASIA HOLDINGS LTD: HARD TIMES ARE COMING, FOLKS

Browsing through the 606-page Global Offering Prospectus of YesAsia Holdings Ltd (結麗控股有限公司) (Code: 2209, Main Board, The Stock Exchange of Hongkong Ltd), one could easily be deluded into thinking that this could well become an exceptionally profitable company.

In point of fact, it was only during the Financial Year, ended December 31, 2020, that, like the pupate of a chrysalis, achieving metamorphism, whereby it obtains the likeness of a mature butterfly, it appears that this corporate entity achieved but a modicum of profitability of any note.

Even so, it is highly questionable that the Company would be able to achieve anywhere near the 2020-Year's Bottom Line in the Current Financial Year, ending December 31, 2021.

The Initial Public Offering (IPO) Of YesAsia Holdings Ltd

YesAsia Holdings Ltd published and disseminated its Global Offering in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** on Monday, June 28, 2021.

Management was desirous of finding new homes for a total of 39,540,000 Offer Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK3.00 to a high of \$HK3.33.

HKSAR Investors were offered the opportunity to apply for 3,954,000 Offer Shares (the HKSAR Offer Shares tranche) while International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investors was deemed to own, legally and beneficially, equity control – were induced to apply for some of the 35,586,000 Offer Shares (the International Offer Shares tranche).

On Thursday, July 8, 2021, Management caused to make an Announcement as to the Offer Price and the Allotment Results.

In that Announcement, it was stated that the Offer Price Per Share had been struck at \$HK3.28; and, that the Net Proceeds of the Global Offering were estimated at about \$HK91 million.

In respect of the HKSAR Offer Shares, the Announcement stated that it had been ‘*very significantly over-subscribed*’, a total of 59,586 valid applications, having been received by Management for a total of 574,543,000 Offer Shares, representing approximately 145.30 times the total number of 3,954,000 Offer Shares, initially available under the HKSAR Offer Shares tranche.

With regard to International Offer Shares, one was informed that it had been ‘*moderately over-subscribed, representing approximately 3.2 times*’ the 35,586,000 Offer Shares, initially available under this tranche.

At Page 10 of the July 8, 2021 Announcement, it was stated how Management presently intended to utilise the net proceeds of the Global Offering:

- Approximately, 54.00 percent, that is about \$HK49.10 million, ‘*for increasing our marketing efforts for customer acquisition and retention*’;
- Approximately, 20.10 percent, that is about \$HK18.30 million, ‘*for enhancing our platform content and IT (Information Technology) capabilities and create satisfactory user experience to promote benefits and uniqueness of Korean beauty and fashion products*’;
- Approximately, 16.10 percent, that is about \$HK14.70 million, ‘*for expanding our logistics fulfillment capacity and enhance our warehouse efficiency*’; and,
- Approximately, 9.80 percent, that is about \$HK8.90 million, ‘*for working capital and other general corporate purposes.*’

The History And Business Of YesAsia Holdings Ltd

An ‘**OVERVIEW**’ of the history of YesAsia Holdings Ltd was given at Page 149 of the Global Offering Prospectus as follows:

‘We are an E-commerce (electronic commerce) platform operator headquartered in Hong Kong. We primarily engage in the procurement and sale of Asian fashion & lifestyle, beauty and entertainment products to customers around the world. Our mission is to become the “go-to” E-commerce gateway that bridges Asian products with customers worldwide.

‘The history of our Group can be traced back to 1997 when Mr. Lau (Mr Lau Kwok Chu [劉國柱]), our Chief Executive Officer, an executive Director and our Controlling Shareholder and Ms. Chu (Ms Chu Lai King [朱麗琼]), the Chair of the Board, an executive director and our Controlling Shareholder, founded Asia CD, Inc. (“Asia CD”) in

California. Asia CD was principally engaged in the procuring and purchasing of entertainment products from Asia and selling such products in the U.S. We launched our first website "AsiaCD.com" in 1998.'

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