



2025

ANNUAL REPORT

YesAsia Holdings Limited

(Incorporated in Hong Kong with limited liability)

Stock Code : 2209

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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)
(Redesignated as Executive Director with effect from
1 April 2026)
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. Sin Pak Cheong Philip Charles (冼栢昌)
Mr. Chan Yu Cheong (陳汝昌)
Mr. Hui Yat Yan Henry (許日昕)
(Ceased to be a member on 25 April 2025)

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*)
Ms. Chu Lai King (朱麗琼)
(Appointed on 25 April 2025)
Mr. Chan Yu Cheong (陳汝昌)
Mr. Wong Chee Chung (王子聰)
Mr. Chu Kin Hang (朱健恒)
(Ceased to be a member on 25 April 2025)

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
Standard Chartered Bank (Hong Kong) Limited

STOCK CODE

2209

CORPORATE WEBSITE

www.yesasiaholdings.com

SHOPPING WEBSITES

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

DEFINITIONS AND GLOSSARY

“AGM”	annual general meeting of the Company
“AMR”	automated robot equipment used in the integrated system of hardware and software for warehouse and logistics management functions
“Articles”	Articles of Association of the Company
“AsianBeautyWholesale” or “ABW”	the Group’s wholesale business of beauty products via online platform, namely www.asianbeautywholesale.com and offline channels
“ABW Offline”, “AsianBeauty Wholesale Offline”	the Group’s wholesale business of beauty products via offline channels
“ABW Online”, “AsianBeauty Wholesale Online”	the Group’s wholesale business of beauty products via online platform, namely 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
“Comprehensively Sanctioned Countries”	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related laws or regulation

DEFINITIONS AND GLOSSARY

“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
“Core markets”	US, UK, Australia and Canada
“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
“Europe and Associated Countries”	the member states of the EU, the member states of the European Economic Area (EEA), the United Kingdom and the Swiss Confederation
“EU”	European Union
“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
“KOL”	key opinion leader, a person or an organization who has expert product knowledge and influence in a particular field, who is trusted by relevant interest groups and has significant effects on consumer behaviour, we define KOL as person or organization we facilitate collaboration with, who normally has more than 100,000 followers on social media platforms
“Latin America”	the countries and territories including Mexico, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Cuba, Dominican Republic, Puerto Rico, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela

DEFINITIONS AND GLOSSARY

“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM
“Mapletree Smart Robotics Warehouse”	the smart warehouse located at Mapletree Logistics Hub with approximately 147,468 square feet in Tsing Yi equipped with AMR
“Middle East”	the geographic region comprising Bahrain, Cyprus, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, Turkey, the United Arab Emirates, and Yemen
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“Mr. Chu”	Mr. Chu Kin Hang, brother-in-law of Mr. Lau and brother of Ms. Chu, an 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
“Ms. Chu”	Ms. Chu Lai King, one of the founders of our Group, an executive Director, Chairperson and one of our Controlling Shareholders
“Net debt”	Total interest-bearing bank borrowings (excluding lease liabilities) less bank and cash balances
“Net gearing ratio”	Net debt/(cash) divided by total equity
“N.M.”	Not meaningful
“Nomination Committee”	the nomination committee of the Board
“Non-core markets”	Countries and regions except for the Core markets

DEFINITIONS AND GLOSSARY

“Oceania”	the geographic region comprising the countries and territories of Australia, New Zealand, Papua New Guinea, and the island nations and territories of the Pacific Ocean, including but not limited to Fiji, Samoa, Tonga, Vanuatu, Solomon Islands, Micronesia, Palau, Marshall Islands, Nauru, Kiribati, and Tuvalu
“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 9.51% of the total number of issued shares of the Company as at 31 December 2025
“PCCW Group”	PCCW, together with its subsidiaries
“pp”	percentage point
“Prior Year”	the year ended 31 December 2024
“Prospectus”	prospectus of the Company dated 28 June 2021
“Remuneration Committee”	the remuneration committee of our Company
“Reporting Year”	the year ended 31 December 2025
“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 2016 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

DEFINITIONS AND GLOSSARY

“Share(s)”	ordinary share(s) in the share capital of our Company
“Shareholder(s)”	holder(s) of Shares
“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
“UK” or “U.K.”	the United Kingdom
“US”, “United States” or “U.S.”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US\$” or “US Dollar”	United States dollar, the lawful currency of the United States
“YesAsia” or “YesAsia Platform”	the <i>YesAsia platform</i> with its website at www.YesAsia.com
“YesStyle” or “YesStyle Platforms”	the <i>YesStyle platforms</i> , which include the website at www.YesStyle.com and the <i>YesStyle</i> Mobile apps and other third-party B2C oriented marketplace platforms

FIVE YEARS' FINANCIAL SUMMARY

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 2025, 2024, 2023, 2022, and 2021, 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 2024 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 2025 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.

	2025 US\$'000	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
Revenue	501,544	345,782	201,339	128,592	162,018
Profit/(loss) for the year	23,140	19,042	7,572	(6,782)	(2,065)
Total assets	163,757	120,569	74,485	63,722	69,887
Total liabilities	(83,701)	(67,579)	(39,431)	(36,585)	(33,600)
Net assets	80,056	52,990	35,054	27,137	36,287

KEY HIGHLIGHTS

	Year ended 31 December		Change (%)
	2025 (Audited) US\$'000	2024 (Audited) US\$'000	
Revenue	501,544	345,782	45.0%▲
Gross profit	148,503	105,386	40.9%▲
Gross profit margin ⁽¹⁾	29.6%	30.5%	0.9pp▼
Operating profit ⁽²⁾	31,904	24,893	28.2%▲
Profit for the year	23,140	19,042	21.5%▲
Net profit margin ⁽³⁾	4.6%	5.5%	0.9pp▼
Proposed final dividend	HK 10.0 cents	HK 7.5 cents	33.3%▲

Notes:

- (1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Operating profit is the subtotal of all income and expenses from the Group's main business activities but excluding interest income, dividend income, fair value loss on financial assets at fair value through profit or loss, finance costs and income tax expense.
- (3) Net profit margin is calculated based on profit for the year divided by revenue and multiplied by 100%.

	Year ended 31 December		Change
	2025	2024	
Number of E-commerce platform customers (<i>YesStyle Platforms</i>) ⁽¹⁾	2,855,000	2,258,000	26.4%▲
Number of customers (<i>AsianBeautyWholesale Online</i>) ⁽²⁾	5,300	5,800	8.6%▼
Average order size (<i>YesStyle Platforms</i>) ⁽³⁾ (US\$)	\$65.1	\$66.2	1.7%▼
Average order size (<i>AsianBeautyWholesale Online</i>) ⁽³⁾ (US\$)	\$2,786.6	\$2,064.2	35.0%▲
Acquisition cost per new customer (<i>YesStyle Platforms</i>) ⁽⁴⁾ (US\$)	\$14.2	\$12.2	16.4%▲
Revenue generated by fashion and lifestyle products (US\$'000)	\$14,722	\$24,563	40.1%▼
Revenue generated by beauty products (US\$'000)	\$481,648	\$318,742	51.1%▲
Revenue generated by entertainment products (US\$'000)	\$1,848	\$1,994	7.3%▼
Return rate (<i>YesStyle</i>)	0.3%	0.4%	0.1pp▼
Return rate (<i>AsianBeautyWholesale Online</i>)	0.5%	0.7%	0.2pp▼
Return rate (<i>YesAsia</i>)	0.2%	0.2%	–

Notes:

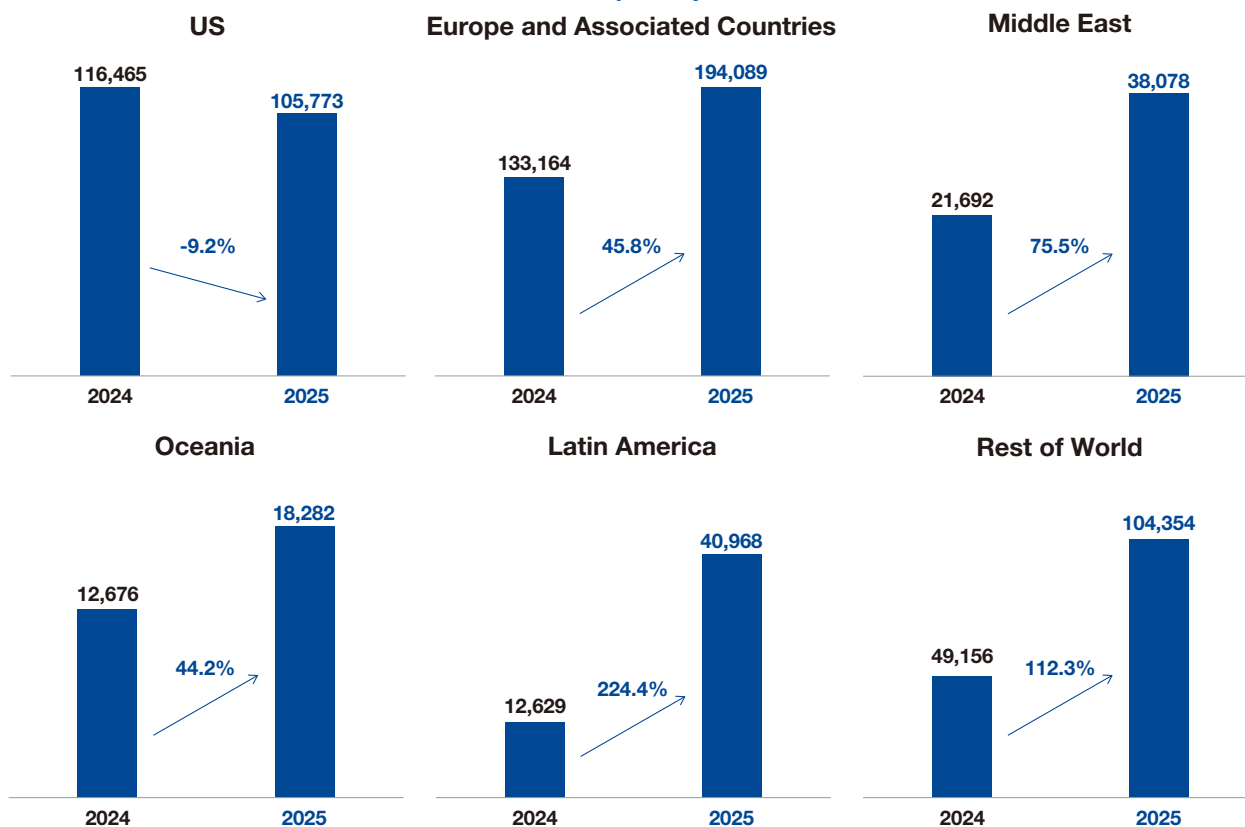
- (1) A person is considered as a customer of our *YesStyle Platforms* during a reporting period if the invoice of his/her/its order has been issued within the reporting period.
- (2) A person is considered as a customer of our *AsianBeautyWholesale Online* during a reporting period if the invoice of such order has been issued within the reporting period.
- (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 customers acquired across *YesStyle Platforms* 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		Change
	2025	2024	
Number of <i>YesStyle</i> Mobile App downloads for the year (Includes iOS and Android)	4,898,000	4,469,000	9.6%▲
Influencer Program expenses (US\$'000)	\$8,219	\$5,932	38.6%▲
Revenue generated by the <i>YesStyle</i> Mobile App (US\$'000)	\$178,681	\$129,732	37.7%▲
Revenue generated from influencers' referrals (US\$'000)	\$104,796	\$73,287	43.0%▲

KEY HIGHLIGHTS

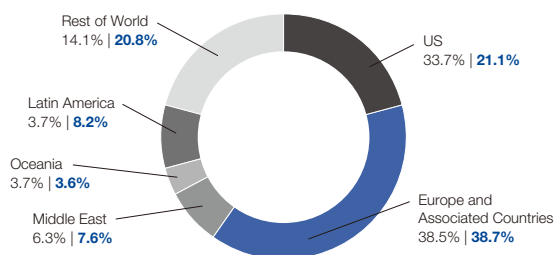
REVENUE FROM DIFFERENT REGIONS (Note)

US\$'000



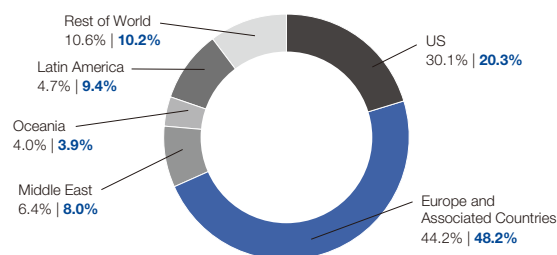
The Group

2024 | 2025



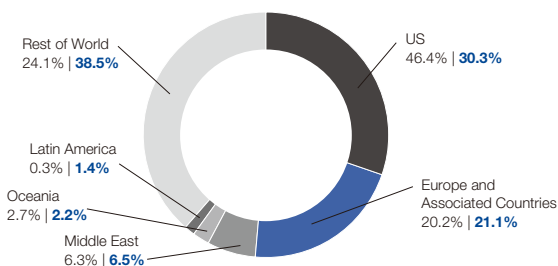
YesStyle

2024 | 2025



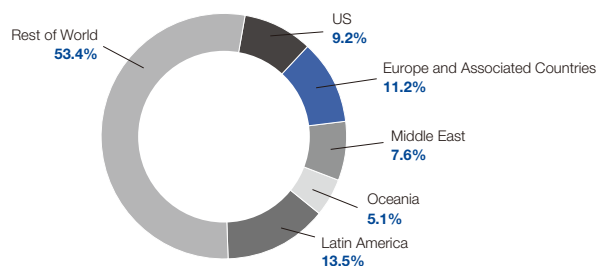
ABW Online

2024 | 2025



ABW Offline

2025



Note: Revenue from ABW Offline includes both direct and indirect exports. Direct export revenue is classified based on the port of destination. For indirect exports, although sales are made to wholesalers, corporate customers, and resellers in South Korea, revenue is classified according to the destination countries or regions of the goods, based on enquiries made with the respective wholesalers, corporate customers, and resellers.

Dear Shareholders,

We are pleased to present to you the 2025 YesAsia Holdings Limited Annual Report, marking another year of record revenue and profit as we continue to ride – and help shape – the global transmutation of Korean beauty products from niche to mainstream. Building on the strategic shift to beauty and the global expansion launched in previous years, 2025 saw *YesStyle* and *AsianBeautyWholesale* deepen their presence across more markets, more channels, and more segments of the beauty value chain.

REVENUE GROWTH AND PROFITABILITY

We are delighted to announce that in 2025, YesAsia achieved another record high annual consolidated revenue of approximately US\$501,544,000, representing strong growth of approximately 45.0% compared to the Prior Year's revenue of approximately US\$345,782,000. The Group's audited consolidated net profit for the Reporting Year was US\$23,140,000, representing an increase of approximately 21.5% compared to approximately US\$19,042,000 in 2024.

This profitable growth was achieved while we continued to invest heavily in marketing, B2B expansion, and logistics infrastructure that we believe will support the Group's long-term development. Beauty products contributed approximately 97.0% of total revenue of *YesStyle* and *ABW* in 2025, underscoring our successful strategic focus on the K-Beauty category.

THE CONTINUING GLOBAL RISE OF K-BEAUTY

K-Beauty continued to be the main driver of our growth in 2025 as Korean beauty brands and products gained further traction among consumers worldwide. We are pleased to witness the global momentum of K-Beauty, with South Korea recently overtaking the United States to become the world's second-largest cosmetics exporter, trailing only France. According to data from South Korea Ministry of Food and Drug Safety, South Korea exported an all-time high of US\$11.4 billion worth of cosmetics in 2025, surpassing the United States.

The global K-Beauty market is projected to grow from approximately US\$13.59 billion in 2024 to around US\$30.6 billion by 2032. We believe that, despite this impressive momentum, K-Beauty is still in the early stages of becoming truly mainstream in many markets, especially in non-English speaking countries in Europe, the Middle East, and Latin America. This represents a significant opportunity for YesAsia as we continue to serve as a bridge connecting Korean beauty brands with global consumers.

The offline footprint of K-Beauty also continued to expand in 2025, with more high-street retailers and specialty chains in the United States, United Kingdom, Europe, Latin America, and Asia adding K-Beauty assortments to their stores. This structural shift from purely online discovery to a hybrid of online inspiration and offline availability significantly enlarges the total addressable market for our brand partners and positions YesAsia as a key enabler of K-Beauty's globalization through both our B2C and B2B platforms.

LETTER TO THE SHAREHOLDERS

MARKET DIVERSIFICATION STRATEGY – NON-CORE MARKETS LEAD GROWTH

In 2025 we accelerated our market diversification strategy, which focuses on expanding Non-core markets – defined as all markets outside the United States, United Kingdom, Australia and Canada – and reducing reliance on any single market. This strategic shift has yielded impressive results. In 2025, Non-core markets contributed approximately 63.6% of the Group’s total revenue and recorded growth of approximately 83.9% year-on-year, significantly outpacing Core markets which grew by approximately 5.9% year-on-year.

Europe and Associated Countries remained our single largest regional contributor, accounting for approximately 38.7% of the Group’s revenue in 2025 and delivering growth of approximately 45.8% compared with the Prior Year. We expect mainland Europe to continue its trajectory and to surpass the US as our largest revenue source in the coming years as K-Beauty becomes increasingly mainstream across European markets.

Latin America and the Middle East also demonstrated exceptional momentum, recording revenue growth of approximately 224.4% and 75.5% respectively in 2025. The rise of K-Beauty has been particularly pronounced in non-English speaking markets. For example, South Korea’s cosmetics exports to Poland rocketed 115% to US\$280 million in 2025, while exports to the United Arab Emirates increased by 70.6% year-on-year during the same period.

To better serve these diverse markets, *YesStyle* expanded its multilingual capability by launching a Polish-language website in July 2025, bringing the total number of supported languages to nine, including Arabic, Chinese, Dutch, English, French, German, Italian and Spanish. These initiatives, combined with our social media-driven influencer marketing and targeted regional campaigns, have enabled us to reach a broader and more diverse customer base across over 50 countries and regions.

At the same time, our Core markets continued to deliver solid performance. In 2025, Core markets contributed approximately 36.4% of total revenue and recorded growth of approximately 5.9% compared with the corresponding period during the Prior Year. We will continue to serve our loyal customers in the US, UK, Canada and Australia, while deploying more resources to tap the large and still underpenetrated opportunities in Non-core markets.

RAPID EXPANSION OF THE B2B BUSINESS

ABW continued to deliver exceptional growth in 2025 as we deepened our focus on serving global business customers who are sourcing K-Beauty and other Asian beauty products. In 2025, *ABW* delivered revenue of US\$148,891,000, representing growth of approximately 91.7% as compared to that of 2024. Within this, *ABW Online* revenue increased by approximately 29.2% to about US\$98,956,000, while *ABW Offline* – which was newly launched – contributed approximately US\$49,935,000 in revenue during its first full year of operation.

During the Reporting Year, *ABW* formalized new distribution channels with 56 leading retailers across 26 markets, including but not limited to:

North America	Burlington, Ulta, TJX, Yami, Target, Costco
Europe	Primark, Superdrug, OVS, EVA, Flaconi, Rossmann, Brandsdal Group, Vita, Sokos, Mastas Group, Lyko, Notino, and Müller
Latin America	Sally Beauty, Pichara, Skinko & Perfumerías Pigmento, Todomoda, DBS, Cromatic, Medipel and Euphoria
Middle East and Asia	Boutiqaat, Colourmix, 7-Eleven, Miniso, Gold Apple, Qoo10, Gratis, Trendyol, Lifestyle, BFL, X-Beauty, Watson, Nykaa and Tira

These partnerships enable K-Beauty brands to reach millions of consumers through established offline retail networks.

We also established a new *ABW* office in South Korea with a sales team of over 15 members, complementing the B2B team in Hong Kong, to provide more direct support to Korean brand partners and to coordinate regional expansion initiatives.

ABW made a strong debut at Cosmoprof Worldwide Bologna 2025 in March last year, one of the world's largest and most prestigious beauty fairs with over 50 years of history. Over the three-day event, *ABW* showcased 15 leading K-Beauty brands and engaged with more than 800 B2B buyers from Europe, the US, Latin America, and the Middle East. Later in the year, in October 2025, *YesStyle* and *ABW* extended their presence to Beautyworld Middle East 2025 in Dubai, one of the region's premier beauty trade shows, further strengthening relationships with buyers and brand partners in the fast-growing Middle Eastern market.

The Group now serves as the authorized distributor of over 475 K-Beauty brands for global B2C and B2B channels, positioning us as the go-to e-commerce gateway for leading Asian brand partners seeking to reach audiences worldwide. Our B2B strategy allows us to tap into the offline retail market, which remains several times larger than the online market, while leveraging our established brand relationships and logistics capabilities.

STRENGTHENED GLOBAL LOGISTICS NETWORK

In 2025 we substantially reinforced our logistics and fulfilment capabilities to keep pace with rapid order growth while maintaining high service standards and improving cost efficiency. Following the successful deployment of our first AMR warehouse at Goodman Interlink, Tsing Yi, in 2022, we launched our second AMR facility – the Mapletree Smart Robotics Warehouse, also in Tsing Yi – in May 2025.

With a floor area of approximately 147,468 square feet and equipped with 260 AMRs, the Mapletree warehouse represents the largest deployment of AMR technology in Hong Kong's e-commerce sector. Combined with our first AMR warehouse, which houses 161 AMRs across approximately 137,525 square feet, we now operate over 400 AMRs across two facilities in Hong Kong. This gives YesAsia one of Asia's most advanced e-commerce logistics networks, enabling faster processing of orders, higher fulfilment accuracy, and better scalability during peak seasons.

LETTER TO THE SHAREHOLDERS

The AMR system has delivered significant operational and financial benefits. Our two AMR warehouses in aggregate achieved estimated annual labor cost savings of approximately US\$9,708,000 in 2025. The two AMR warehouses has an impressive 2.3 times increase in shipment volume compared with the pre-AMR period of 2022, while maintaining fulfillment accuracy exceeding 99.99%. The second AMR warehouse is expected to deliver similar efficiency gains and effectively double our fulfillment capacity to support the anticipated surge in customer orders in the coming years.

In addition to our Hong Kong infrastructure, a new 147,000 square-foot warehouse in South Korea commenced operation in April 2025 to support the rapid growth of our B2B segment and to provide more efficient consolidation and export of K-Beauty products directly from South Korea. This facility complements the 3 outsourced warehouses in the United States (near Los Angeles), the United Kingdom (Sheffield), and Germany (Hahn), which help shorten delivery times and reduce freight costs for customers in those regions.

These global logistics investments have yielded tangible results. Freight charges as a percentage of revenue decreased to approximately 18.7% in 2025 from approximately 21.1% in 2024. We will continue to optimize our supply chain and fulfillment operations to deliver excellent customer experiences while maintaining cost discipline.

DIGITAL MARKETING AND AI INNOVATION

Social media marketing and influencer engagement remain core drivers of our growth strategy. As one of the first e-commerce platforms to heavily invest in social media marketing for K-Beauty, we continue to see strong results from these initiatives. During 2025, the number of *YesStyle* influencers grew to approximately 502,000, up from approximately 403,000 in 2024, representing growth of approximately 24.6%. Revenue generated from influencer referrals reached approximately US\$104,796,000 in 2025, up approximately 43.0% year-on-year.

In April 2025, *YesStyle* collaborated with global K-Beauty brand COSRX to launch the brand's first Euro Supporters Program, recruiting 100 content creators from across five European markets – the United Kingdom, France, Germany, Italy, and Spain – to share their authentic skincare journeys on TikTok, Instagram, and YouTube. This initiative reflects our commitment to supporting K-Beauty brands in building deeper connections with diverse audiences through localized, creator-driven content.

In the fourth quarter of 2025, we established a dedicated AI Solutions Team to coordinate AI projects across the Group and to identify use cases that enhance both growth and efficiency. The team's objectives are twofold: to accelerate market expansion and revenue growth through AI-enabled marketing, translation and product discovery; and to streamline operations and improve service quality through automation across multiple functions.

Among the priority projects underway, the AI Solutions Team is applying AI to translation workflows to speed up localization, improve quality, and support the launch of more local-language websites beyond the nine languages already supported. This capability will be critical as we expand into new markets with diverse linguistic requirements. The team is also exploring ways for AI to augment frontline customer service, automate routine inquiries, and support customers in multiple languages while maintaining our service standards. Additionally, the team is working on how AI and large language model interfaces can increase qualified traffic to *YesStyle* by making it easier for global consumers to discover K-Beauty content and products through conversational search.

YesStyle's dedication in AI-driven marketing was recognized externally in late 2025, when an AI-powered video advertisement created for YesStyle won the top prize at the 2nd Korea AI Video Advertising Awards, one of the largest AI video advertising competitions in South Korea. This award underscores our commitment to innovation in digital marketing and our ability to leverage cutting-edge technology to tell compelling K-Beauty stories to global audiences.

YESFUL LAND – BUILDING COMMUNITY AND BRAND EXPERIENCE

In October 2025, YesStyle launched Yesful Land in Seoul, South Korea – an innovative physical space that serves as a hub for beauty discovery, community connection, and brand experience. Located in the heart of Seoul, a city synonymous with K-Beauty innovation, Yesful Land offers visitors an immersive environment where they can explore curated K-Beauty products, participate in beauty workshops and events, and connect with like-minded beauty enthusiasts.

Yesful Land represents an important extension of the YesStyle brand beyond pure e-commerce, creating a tangible touchpoint that strengthens our relationship with customers, partners and the broader K-Beauty community. The space also serves as a content creation hub, where influencers and creators can experience products firsthand and develop authentic content that resonates with global audiences. We believe that this blend of online and offline engagement will deepen brand loyalty and support our long-term growth as K-Beauty continues to go mainstream worldwide.

US TARIFFS – A MANAGEABLE CHALLENGE

One of the key external challenges we encountered in 2025 was the imposition of tariffs on Korean beauty products imported into the United States. Korean beauty goods were subject to an approximately 15% tariff rate, which, while relatively lower than tariffs imposed on imports from certain other countries, nevertheless exerted pressure on pricing and profitability and moderated our revenue growth in the US market compared with Non-core markets.

We believe this impact is likely to be temporary over the medium term, as underlying consumer interest in K-Beauty remains strong and the value proposition of Korean beauty products – combining innovation, quality and accessible pricing – continues to resonate with US customers. Furthermore, our market diversification strategy has mitigated concentration risk. As Non-core markets now account for the majority of our revenue and are growing much faster than the US, we are less dependent on any single tariff regime or localized policy change. Looking ahead, we will continue to monitor the tariff environment closely and optimize our sourcing, pricing and logistics arrangements to protect both our competitiveness and our margins.

INVESTMENT, PROFITABILITY AND DIVIDEND

The 2025 results reflect a phase of deliberate investments to capture long-term growth opportunities in K-Beauty and to strengthen our operating platform. During the Reporting Year, we increased marketing and promotion expenses – including social media campaigns, influencer programs, participation in Cosmoprof Bologna and Beautyworld Middle East, and other regional initiatives – to approximately US\$27,504,000, compared with approximately US\$18,781,000 in 2024. We also incurred higher depreciation of right-of-use assets related to the Mapletree Smart Robotics Warehouse in Hong Kong and the new warehouse in South Korea, totalling approximately US\$3,880,000 in 2025. In addition, we recognized share option expenses of approximately US\$4,218,000, reflecting grants to key executives including the new ABW CEO, as part of our long-term incentive and talent retention strategy.

LETTER TO THE SHAREHOLDERS

Despite these substantial investments in growth and infrastructure, the Group delivered a net profit of approximately US\$23,140,000 for 2025, representing an increase of approximately 21.5% compared to 2024, demonstrating the underlying strength of our business model and our ability to balance investment with profitability. Reflecting our confidence in the business outlook and our commitment to delivering shareholder returns, the Board has recommended the declaration of a final dividend of HK 10.0 cents per share for the year ended 31 December 2025, subject to the approval of shareholders at the forthcoming AGM. This represents an increase from the HK 7.5 cents per share paid for 2024 and underscores our confidence in the Group's financial health and future prospects.

OUTLOOK

Looking forward, we believe that the global momentum of K-Beauty will remain strong as more consumers across different regions incorporate Korean beauty products into their daily routines and as K-Beauty transitions from a niche category to a mainstream staple in beauty retail worldwide. Non-core markets – particularly mainland Europe, Latin America and the Middle East – are expected to play an increasingly important role in our revenue mix as K-Beauty penetration in these regions continues to increase. We will continue to invest in multilingual localized websites, regional marketing teams, local influencers and community-building initiatives like Yesful Land to deepen engagement with diverse audiences.

We will also devote more resources to expanding our B2B business through *ABW*, as the offline retail market for beauty products remains several times larger than the online market. By combining our social media-driven demand generation capabilities with a global logistics and warehouse network and strong relationships with over 475 K-Beauty brands, we aim to provide an end-to-end solution for Korean beauty brands seeking to scale up internationally and for retailers seeking curated, high-quality K-Beauty assortments. The partnerships we have established with major retail chains across North America, Europe, Latin America, the Middle East and Asia provide a strong foundation for continued B2B growth.

At the same time, we will continue to refine our cost structure, enhance the role played by automation in fulfilment through our dual AMR warehouse infrastructure, and leverage AI-enabled tools across translation, customer service, marketing and product discovery to improve both customer experience and operational efficiency. The AI Solutions Team will play an important role in identifying and scaling use cases that accelerate our market expansion while maintaining service quality and cost discipline.

We are confident that YesAsia will reach new heights in the coming years, supported by the structural growth of the global K-Beauty market, our increasingly diversified geographic footprint, our dual growth engines of B2C and B2B, our advanced logistics and technology capabilities, and the dedication of our team worldwide.

In conclusion, we are proud to share YesAsia's outstanding achievements in 2025 and to highlight the strong foundations we are building for sustainable, long-term growth. We remain committed to consolidating our leadership in B2C channels through *YesStyle* and to strengthening our B2B capabilities via *ABW*, so that we can continue to benefit from K-Beauty's rise as it becomes mainstream in more countries and regions around the world.

We would like to express our heartfelt gratitude to our shareholders for their unwavering support and confidence in YesAsia and our global expansion strategy. We would also like to extend our sincere appreciation to our employees, partners, influencers and customers worldwide, whose dedication, collaboration and trust have been instrumental in overcoming challenges and capturing new opportunities throughout 2025.

Lastly, we would like to share a quote from Tao Te Ching, Chapter 15, which encourages us to stay steady, patient and forward-looking as we navigate an ever-changing global landscape:

Who can wait quietly while the mud settles?

Who can remain still until the moment of action?

Those who keep to this Way do not seek to be full.

It is precisely because they are not full that they can be weathered and yet renewed.

孰能濁以靜之徐清？

孰能安以動之徐生？

保此道者不欲盈。

夫唯不盈，故能蔽而新成。

We hope 2026 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

27 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

YesAsia Holdings Limited went from strength to strength in 2025, achieving yet another year of record-high revenue. Strong growth was recorded across all regions for both *YesStyle Platforms* and *AsianBeautyWholesale*, while Non-core Markets continued to outstrip Core Markets in both growth and revenue.

During the Reporting Year:

- Revenue increased by about 45.0% to approximately US\$501,544,000 (Prior Year: US\$345,782,000).
- Retail revenue from *YesStyle Platforms* grew 30.8% to approximately US\$347,479,000 (Prior Year: US\$265,635,000), while wholesale revenue from *ABW*, jumped by 91.7% to approximately US\$148,891,000 (Prior Year: US\$77,670,000). Following a year of rapid expansion, *ABW* now accounts for 29.7% of the Group's 2025 revenue (Prior Year: 22.5%).
- Net profit increased by 21.5% to approximately US\$23,140,000 (Prior Year: US\$19,042,000), when net profit margin decreased by 0.9pp to 4.6% (Prior Year: 5.5%).
- Gross profit margin of *YesStyle Platforms* continued to improve, reaching 35.4% in 2025 (2024: 34.5% and 2023: 32.9%), while that of *ABW* was 16.6% (2024: 16.8% and 2023: 23.1%).

1. **Market Diversification: A Fruitful Strategy**

- Non-core Markets continue to gain prominence as the main revenue driver of the Group's global portfolio.
- Non-core Markets grew 83.9%, contributing to 63.6% of the Group's 2025 total revenue (2024: 117.0% and 50.2% respectively) In comparison, Core Markets, including US, Canada, Australia, and UK, rose 5.9% in the same period (2024: 41.9%).
- In the Non-core Markets segment, Latin America recorded the strongest growth 224.4%, followed by Middle East 75.5%, and Europe and Associated Countries 45.8%.
- In 2025, the Group was able to quickly launch the Polish version of *YesStyle* website to capture the surges in demand for K-beauty products. According to data from KITA, exports to Poland rocketed 121% to US\$111.8 million during the first five months of 2025. This was in addition to the Arabic, French, German, Spanish, Italian, Dutch, English and Chinese versions of the website, boasting nine languages in total.

2. **Rapid Expansion of B2B Business**

- In 2025 January, the Group inaugurated Mr. Song Howon as the new Chief Executive Officer of *ABW*, leading its new, Korea-based B2B sales team of over 15 members to spreadhead its expansion into the international wholesale market and offline retail network.

- In 2025, *ABW* had successfully established distribution to retail channels with 56 leading retailers across 26 markets. The pace of B2B expansion continued to steam ahead for the second half of the year, where *ABW* signed up with another 33 high street distribution channels, in both North and South Americas, Central Asia, and Europe.
- *ABW* had participated in prestigious global industry events to offer its tailored, comprehensive wholesale solutions, and gain crucial local market insights. In April 2025, *ABW* made a debut at Cosmoprof Worldwide Bologna 2025 in Italy, where it engaged with more than 800 B2B buyers from across the world, including Europe, U.S., Latin America, and the Middle East. In 2025 October, *ABW* also went to Dubai to participate in the Beautyworld Middle East 2025. During the exhibition, it engaged with over 300 distributors and retail buyers from key markets including the UAE, Saudi Arabia, Qatar, Egypt, and Iraq.

3. **Enhanced Global Logistics Network**

Logistics plays a key part in our business strategy as it affects everything from cost control, delivery time, and scalability. Through the continued, strategic expansion of our global logistics network, we were able to reduce freight charges as percentage of revenue further down to 18.7% in 2025 (2024: 21.1%).

In May 2025, the Group deployed its second AMR warehouse in Hong Kong, boasting 260 AMRs. With two AMR warehouses now operational, the Group now boasts one of Asia's most advanced e-commerce logistics networks with over 400 AMRs ready to support surging global demand.

In April 2025, the Group also opened a new warehouse boasting 147,000 square-foot in South Korea to support the B2B segment. This is in addition to our worldwide warehouse network in the United States, the United Kingdom, Germany, and Hong Kong.

4. **The opening of Yesful Land in Seoul**

- In October 2025, *YesStyle* officiated the grand opening of Yesful Land, its first-ever immersive brand showroom and community hub located in Seoul's vibrant Seongsu district ("**Yesful**"). More than 50 global influential content creators and 120 key business partners from 45 K-beauty brands were present at the grand opening.
- The flagship showroom aims to be a thriving K-beauty global hub where industry practitioners, KOLs, and consumers can connect, exchange their views, and implement new ideas. It will be hosting a dynamic calendar of pop-up activations, creator-led programs, and industry events. It symbolizes the Group's unique role in providing the links between offline distribution and online commerce.
- The opening of Yesful also takes the Group's marketing to the next level as over 502,000 global influencers of *YesStyle*, who created social media content serving the Group's 24.4 million members and beyond, can now have a physical hub in Seoul they refer to as the origin of their digital content. The Group will be inviting overseas KOLs to visit, using Yesful as a base to create and curate their own K-beauty stories for their audience.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

We believe that there is still a lot of room for growth for K-beauty in the global market. Our agile business model gives us the strategic advance to provide an integrated support system that encompasses both B2B and B2C overseas growth for K-beauty brands.

1. **Strong demand for K-beauty driven by quality, not pricing**

- According to Research and Markets, K-beauty Products Market is expected to continue growing at a CAGR of 10.3%, reaching US\$30.6 billion by 2032. There is still ample room for K-beauty to grow in the global market.
- In 2025, cosmetic exports from South Korea grew year-on-year by 12.3% to reach US\$11.4 billion in 2025, according to government data. As of 2025 July, South Korea has also overtaken the United States to become the world's second-largest cosmetics exporter, trailing only France, according to trade data from the Korea International Trade Association (KITA).
- The market jitters brought about by the US reciprocal tariffs are unlikely to spread to the K-beauty sector because the sector has long passed the era where low prices were the main success driver. In fact, K-products are now known for its innovation, quality, and use of original ingredients. This justifies premium prices of K-beauty products as they compete on quality, not pricing.
- While K-beauty demand will remain robust in the global market, the growth in Non-core Markets shall continue to outpace Core Markets.

2. **B2B expansion: a strategic imperative**

- The Group has already established a business model that encompasses both B2C and B2B, providing a comprehensive retail and wholesale solution for K-beauty brands to go overseas. It works with a great universe of K-beauty brands, creates digital content with over 502,000 influencers while opening up the e-commerce market, and builds up a global B2B distribution network across the world to tap into the offline retail market which is several times bigger than online retail.
- The B2B and B2C segments are complimentary. The B2B network enhances brand presence in the market built up by the B2C business which, enabled by the AI-powered customer relationship management (“**CRM**”) system, helps the Group making trend predictions as it collects and analyses the vast customer data from YesStyle's 24.4 million members.

- It is vital for the Group to continue to invest in B2B expansion to maintain its first mover advantage. From a business operation level, B2B expansion will also improve overall profit margin because of scale of economy, and its relatively small spending on marketing initiatives. On the other hand, the major, capex-heavy infrastructures have already been set in place, including the two AMR warehouses in Hong Kong, the new warehouse in South Korea, and the other global warehouse facilities.

3. Business Agility

- Our afore-mentioned global logistics network enables us to navigate geopolitics, and trade-related uncertainty such as tariff and administrative barriers.
- Major K-beauty brands are starting to review their global supply chain, and look at the potential of building up their own satellite system in terms of production and distribution. While that may present competition, our Group still enjoys the strategic advantage of being able to make quick, agile decisions in response to what the market needs by working with a great range of mainstream and independent brands.

4. AI Acceleration

- Non-core Markets, in particular Latin America, Middle East and non-English speaking European countries, are gaining in prominence as the main revenue growth driver for both retail and wholesale business segments.
- The use of AI technology shall accelerate the penetration into Non-core Markets by offering multilingual support in customer relationships. Local talents will still be hired to oversee the quality control of customer communications.
- The Group has recently setup an AI Solutions Team to develop and explore AI solutions to increase traffic, improve influencer marketing efficiency, and to accelerate web/app localization with AI translation. The team will also further embed AI technologies in our customer journey to enhance service quality and efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately US\$155,762,000 or 45.0% from approximately US\$345,782,000 during the Prior Year to approximately US\$501,544,000 during the Reporting Year. The increase was primarily attributable to the following:

- approximately US\$81,844,000 or 30.8% increase in sales contributed by *YesStyle Platforms* to approximately US\$347,479,000 during the Reporting Year from approximately US\$265,635,000 during the Prior Year;
- approximately US\$48,847,000 or 4,489.6% increase in sales contributed by *ABW Offline*, to approximately US\$49,935,000 during the Reporting Year from approximately US\$1,088,000 during the Prior Year;
- approximately US\$22,374,000 or 29.2% increase in sales contributed by *ABW Online* to approximately US\$98,956,000 during the Reporting Year from approximately US\$76,582,000 during the Prior Year;
- approximately US\$2,914,000 contributed by marketing services during the Reporting Year;

partially offset by

- approximately US\$146,000 or 7.3% decrease in sales contributed by *YesAsia Platform* to approximately US\$1,848,000 during the Reporting Year from approximately US\$1,994,000 during the Prior Year; and
- approximately US\$71,000 or 14.7% decrease in income contributed by logistics services to approximately US\$412,000 during the Reporting Year from approximately US\$483,000 during the Prior Year.

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

	2025		2024		Change (%)
	US\$'000	As % of total revenue	US\$'000	As % of total revenue	
Business-to-consumer (B2C)					
– <i>YesStyle Platforms</i>	347,479	69.3%	265,635	76.8%	30.8%▲
– <i>YesAsia Platform</i>	1,848	0.4%	1,994	0.6%	7.3%▼
	349,327	69.7%	267,629	77.4%	30.5%▲
Business-to-business (B2B)					
– <i>ABW Online</i>	98,956	19.7%	76,582	22.2%	29.2%▲
– <i>ABW Offline (key channel sales)</i>	49,935	10.0%	1,088	0.3%	4,489.6%▲
	148,891	29.7%	77,670	22.5%	91.7%▲
Marketing services	2,914	0.5%	–	–	N.M.
Logistics services	412	0.1%	483	0.1%	14.7%▼
Total (Audited)	501,544	100.0%	345,782	100.0%	45.0%▲

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

Cost of sales of the Group during the Reporting Year was approximately US\$353,041,000, representing an increase of approximately US\$112,645,000 or 46.9%, as compared to approximately US\$240,396,000 during the Prior Year. The increase was primarily attributable to the following:

- approximately 53.3% or US\$88,254,000 increase in product costs to approximately US\$253,895,000 during the Reporting Year from approximately US\$165,641,000 in the Prior Year. This was mainly because of the increase in the weighting of revenue from wholesale B2B business which has a more modest markup, and;
- approximately 28.5% or US\$20,827,000 increase in freight charges to approximately US\$93,780,000 during the Reporting Year from approximately US\$72,953,000 in the Prior Year. This was mainly because of the new warehouse in South Korea to provide more efficient consolidation and export of K-Beauty products directly from South Korea. Such warehouse also complements the 3 outsourced warehouses in the United States (near Los Angeles), the United Kingdom (Sheffield), and Germany (Hahn), which help shorten delivery times and reduce freight costs for customers in those regions.

	2025		2024		Change (%)
	US\$'000	As % of total revenue	US\$'000	As % of total revenue	
Product costs	253,895	50.6%	165,641	47.9%	53.3%▲
Freight charges	93,780	18.7%	72,953	21.1%	28.5%▲
Marketing and promotion fees	2,792	0.6%	–	–	N.M.
Packaging materials	2,442	0.5%	1,671	0.5%	46.1%▲
Direct labour cost	132	–	131	–	0.8%▲
Total (Audited)	353,041	70.4%	240,396	69.5%	46.9%▲

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

Gross profit of the Group during the Reporting Year was approximately US\$148,503,000, representing an increase of approximately US\$43,117,000 or 40.9% as compared to approximately US\$105,386,000 for the Prior Year. Gross profit margins for *YesStyle Platforms* and *ABW Online* improved to 35.4% and 20.3% for the Reporting Year. The consolidated gross profit margin diluted by approximately 0.9 percentage points to approximately 29.6% (Prior Year: 30.5%) as the weight for B2B business increased.

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

	Year ended 31 December				Change (%)
	2025 US\$'000	Gross Profit Margin	2024 US\$'000	Gross Profit Margin	
Business-to-consumer (B2C)					
– <i>YesStyle Platforms</i>	122,921	35.4%	91,569	34.5%	34.2%▲
– <i>YesAsia Platform</i>	428	23.2%	431	21.6%	0.7%▼
	123,349	35.3%	92,000	34.4%	34.1%▲
Business-to-business (B2B)					
– <i>ABW Online</i>	20,123	20.3%	12,985	17.0%	55.0%▲
– <i>ABW Offline (key channel sales)</i>	4,633	9.3%	52	4.8%	8,809.6%▲
	24,756	16.6%	13,037	16.8%	89.9%▲
Marketing services	122	4.2%	–	–	N.M.
Logistics services	276	67.0%	349	72.3%	20.9%▼
Total (Audited)	148,503	29.6%	105,386	30.5%	40.9%▲

Other Income and Other Gains and Losses

Our other income and other losses was approximately US\$707,000, which was approximately US\$2,003,000 or 154.6% decreased as compared to approximately US\$1,296,000 of other income and other gain during the Prior Year. The decrease was primarily attributable to the following:

- marketing income was reclassified as revenue derived from our main business during the Reporting Year, whereas it was recognised under our other income and other losses during Prior Year, therefore, approximately US\$1,349,000 decreased;
- approximately US\$559,000 or 166.9% net increase in fair value loss on financial assets at FVTPL, and
- approximately US\$106,000 or 44.5% decrease in interest income to US\$132,000 during the Reporting Year from US\$238,000 during the Prior Year.

During the Reporting Year, the Group procured a life insurance policy and recognised a one-off surrender charge and other related expenses of approximately US\$882,000 as fair value loss on financial assets. The life insurance policy is expected to generate investment gain in the subsequent years. Further details of the insurance policy are disclosed in the section headed “Significant Investments Held” and in Note 20 to the consolidated financial statements.

Selling Expenses

The Group’s selling expenses during the Reporting Year were approximately US\$59,904,000 (Prior Year: US\$42,121,000), representing an increase of approximately US\$17,783,000 or 42.2% as compared to that for the Prior Year. Such increase was mainly attributable to the following:

- approximately US\$8,723,000 or 46.4% increase in marketing and promotion fees due to increase in beauty products-focused promotion;
- approximately US\$4,321,000 or 63.8% increase in outsourced warehouse labour charges
- approximately US\$2,380,000 or 27.1% increase in payment gateway charges which was in line with the revenue growth;
- approximately US\$1,408,000 or 94.5% increase in customs duties which was mainly due to increase in sales in regions such as Europe and Middle East;
- approximately US\$454,000 or 10.1% increase in warehouse wages;
- approximately US\$377,000 or 25.6% increase in IT networking fee;
- approximately US\$183,000 or 146.4% increase in outsourced fulfilment fee;

partially offset by

- approximately US\$63,000 or 29.6% decrease in web content and translation fee.

MANAGEMENT DISCUSSION AND ANALYSIS

With the increase in revenue and sales order volume during the Reporting Year, warehouse wages and outsourced warehouse labour charges (collectively “warehouse labour cost”) in aggregate increased by approximately 42.4% as compared to the Prior Year. Nonetheless, the AMR system has delivered significant operational and financial benefits. The two AMR warehouses have an impressive higher shipment volume compared with the pre-AMR period of 2022, while maintaining fulfilment accuracy exceeding 99.99%. The second AMR warehouse is expected to deliver similar efficiency gains and effectively double our fulfilment capacity to support the anticipated surge in customer orders in the coming years.

	2025		2024		Change(%)
	US\$'000	As % of total revenue	US\$'000	As % of total revenue	
Marketing and promotion fees	27,504	5.5%	18,781	5.4%	46.4%▲
Payment gateway charges	11,160	2.2%	8,780	2.5%	27.1%▲
Outsourced warehouse labour charges	11,094	2.2%	6,773	2.0%	63.8%▲
Warehouse wages	4,938	1.0%	4,484	1.3%	10.1%▲
Customs duties	2,898	0.6%	1,490	0.4%	94.5%▲
IT networking fee	1,852	0.4%	1,475	0.4%	25.6%▲
Outsourced fulfilment fee	308	–	125	0.1%	146.4%▲
Web content and translation fee	150	–	213	0.1%	29.6%▼
Total (Audited)	59,904	11.9%	42,121	12.2%	42.2%▲

Administrative Expenses

The Group’s administrative expenses during the Reporting Year were approximately US\$56,693,000 (Prior Year: US\$39,761,000), representing an increase by approximately US\$16,932,000 or 42.6% as compared to that of Prior Year. Nevertheless, administrative expenses as percentage of revenue dropped to 11.3% (Prior Year: 11.5%) for the Reporting Year. The increase in administrative expenses was mainly attributable to the following:

- approximately US\$3,995,000 or 1,791.5% increase in equity-settled share option expenses during the Reporting Year to US\$4,159,000 (Prior Year: US\$214,000) and US\$59,000 (Prior Year: US\$9,000) recorded in staff costs and Directors’ remuneration respectively, such grants reflecting grants to key executives including the new ABW CEO, as part of our long-term incentive and talent retention strategy;
- approximately US\$7,765,000 or 34.5% increase staff costs as (i) the number of administrative employees increased from 416 as at 31 December 2024 to 514 as at 31 December 2025; and (ii) approximately US\$4,159,000 of equity-settled share option expenses (2024: US\$214,000) as stated in the bullet point above;

MANAGEMENT DISCUSSION AND ANALYSIS

- approximately US\$3,145,000 or 56.1% increase in depreciation of right-of-use assets due to the newly leased Mapletree Smart Robotics Warehouse;
- approximately US\$2,345,000 or 92.3% increase in net exchange losses due to more payments settled by our payment gateway as a result of revenue increase during the Reporting Year;
- approximately US\$923,000 or 61.6% increase in depreciation of property, plant and equipment due to the establishment of the newly leased Mapletree Smart Robotics Warehouse;
- approximately US\$858,000 or 53.2% increase in rates and management fees due to the newly leased Mapletree Smart Robotics Warehouse;
- approximately US\$735,000 or 68.1% increase in legal and professional fees due to business expansion during the Reporting Year;
- approximately US\$517,000 or 51.1% increase in other administrative expenses which was mainly driven by (i) the elevated stock transportation costs between Hong Kong warehouses; (ii) additional interoffice travel expenses resulting from the establishment of new overseas offices; (iii) fees associated with outsourced payroll services; and (iv) the increase in insurances for the renovation of Mapletree Smart Robotics Warehouse during the Reporting Year;
- approximately US\$335,000 or 239.3% increase in operating lease charges due to increase in short term lease during the Reporting Year;
- approximately US\$267,000 or 36.3% increase in customers services expenses which was in line with the revenue growth; and
- approximately US\$228,000 or 19.1% increase in utilities expenses which was mainly due to the establishment of the newly leased Mapletree Smart Robotics Warehouse.

MANAGEMENT DISCUSSION AND ANALYSIS

	Year ended 31 December				
	2025		2024		Change (%)
	US\$'000	As % of total revenue	US\$'000	As % of total revenue	
Staff costs	30,295	6.0%	22,530	6.5%	34.5%▲
Depreciation of right-of-use assets	8,751	1.7%	5,606	1.6%	56.1%▲
Exchange losses, net	4,886	1.0%	2,541	0.7%	92.3%▲
Rates and management fees	2,470	0.5%	1,612	0.5%	53.2%▲
Depreciation of property, plant and equipment	2,421	0.5%	1,498	0.4%	61.6%▲
Legal and professional fees	1,815	0.4%	1,080	0.3%	68.1%▲
Utilities expenses	1,424	0.3%	1,196	0.4%	19.1%▲
Customer services expenses	1,003	0.2%	736	0.2%	36.3%▲
Directors' remuneration	960	0.2%	1,289	0.4%	25.5%▼
Operating lease charges	475	0.1%	140	–	239.3%▲
Staff training and recruitment expenses	411	0.1%	311	0.1%	32.2%▲
Auditor's remuneration	253	–	210	0.1%	20.5%▲
Others	1,529	0.3%	1,012	0.3%	51.1%▲
Total (Audited)	56,693	11.3%	39,761	11.5%	42.6%▲

Finance Costs

The Group's finance costs for the Reporting Year were approximately US\$1,825,000 (Prior Year: US\$1,300,000), representing an increase of approximately 40.4% as compared to that of the Prior Year, reflecting an increase in interest on lease liabilities and provision for reinstatement costs of the newly leased Mapletree Smart Robotics Warehouse and the interest for bank borrowings for the Reporting Year.

Income Tax Expense

Income tax expense for the Reporting Year was approximately US\$6,179,000 (Prior Year: US\$4,458,000), representing an increase of approximately US\$1,721,000 or 38.6% as compared to the Prior Year. The increase was mainly due to the higher taxable profit generated during the Reporting Year.

Profit for the Year

As a result of the foregoing, a profit of approximately US\$23,140,000 was recorded for the Reporting Year (Prior Year: US\$19,042,000). The increase in profit was mainly attributable to (i) an enhancement of *YesStyle Platforms'* marketing efforts to promote the sale of beauty products, and (ii) the expansion of *AsianBeautyWholesale* to serve more business-to-business (B2B) customers who are looking to source Asian beauty products globally.

CAPITAL EXPENDITURE

During the Reporting Year, the Group acquired plant and equipment of approximately US\$9,584,000 (2024: US\$323,000). The capital expenditure during the Reporting Year was mainly attributable to purchase of new equipments for Hong Kong warehouses, computer hardware and software during the Reporting Year.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 December 2025, the Group's bank and cash balances amounted to approximately US\$15,942,000 (2024: US\$15,529,000), which were mainly denominated in US Dollar, Hong Kong Dollar, South Korean Won, Japanese Yen, British Pound Sterling and Euro.

As at 31 December 2025, the Group's bank and cash balances comprises (i) cash and cash equivalents of approximately US\$15,859,000 (2024: US\$15,448,000); and (ii) bank fixed deposits with original maturity beyond three months of approximately US\$83,000 (2024: US\$81,000).

Our cash and cash equivalents before effect of foreign exchange rate changes increased by approximately US\$293,000 during the Reporting Year, which was attributable to (i) the net cash generated from operating activities of approximately US\$12,625,000; and (ii) the positive effect of foreign exchange rate changes of approximately US\$118,000 during the year ended 31 December 2025, offset by the net cash used in (i) investing activities of approximately US\$10,480,000; and (ii) financing activities of approximately US\$1,852,000.

Net cash generated from operating activities during the year ended 31 December 2025 was mainly due to (i) operating profit before working capital changes of approximately US\$47,524,000; (ii) approximately US\$3,417,000 increase in trade and other payables and accruals; and (iii) approximately US\$220,000 increase in contract liabilities, offset by (i) approximately US\$13,881,000 increase in inventories; (ii) approximately US\$10,339,000 increase in trade and other receivables; (iii) approximately US\$6,327,000 increase in prepayments and deposits; (iv) approximately US\$6,264,000 income taxes paid; (v) approximately US\$1,299,000 interest on lease liabilities; (vi) approximately US\$407,000 interest on bank borrowings; and (vii) approximately US\$19,000 decrease in provisions.

Net cash used in investing activities during the year ended 31 December 2025 was mainly due to (i) approximately US\$6,651,000 paid for purchasing property, plant and equipment during the Reporting Year which mainly included leasehold improvements and new equipment for the newly leased Mapletree Smart Robotics Warehouse; (ii) approximately US\$3,539,000 net increase in financial assets at FVTPL; and (iii) approximately US\$400,000 investment in an associate, partially offset by approximately US\$112,000 interest received.

Net cash used in financing activities was mainly due to (i) approximately US\$20,863,000 borrowings raised; and (ii) approximately US\$3,598,000 of proceeds from issuance of shares during the Reporting Year, partially offset by (i) approximately US\$13,297,000 repayment of borrowings; (ii) approximately US\$8,977,000 repayment of principal elements of lease payments; (iii) approximately US\$3,736,000 dividend paid; and (iv) approximately US\$303,000 increase in pledged bank fixed deposits during the Reporting Year.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the Group had outstanding bank borrowings of approximately US\$7,566,000 (2024: Nil). Such borrowings are mainly for (i) financing of the setting up of the Mapletree Smart Robotics Warehouse; (ii) acquisition of a life insurance policy and (iii) increase in working capital to support business expansion. For details of the Group's bank borrowings, please refer to Note 28 to the Consolidated Financial Information.

The Group's finance costs for the Reporting Year were approximately US\$1,825,000 (Prior Year: US\$1,300,000), representing an increase of approximately 40.4% as compared to that of the Prior Year, reflecting an increase in interest on lease liabilities and provision for reinstatement costs of the newly leased Mapletree Smart Robotics Warehouse and the interest for bank borrowings for the Reporting Year.

We believe that our liquidity requirements and our expected source of funding going forward will be satisfied by using a combination of cash generated from our operations and banking facilities available.

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 debts (including lease liabilities) divided by total equity, increased from approximately 43.0% as at 31 December 2024 to approximately 43.2% as at 31 December 2025, primarily due to (i) increase in bank borrowings; and (ii) the increase in lease liabilities for the Mapletree Smart Robotics Warehouse, which is set for operation in May 2025. The following table sets out the calculations of the net gearing ratio:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Interest-bearing bank borrowings	7,566	–
Less: Bank and cash balances	(15,942)	(15,529)
Net cash	(8,376)	(15,529)
Total equity	80,056	52,990
Net gearing ratio	N/A (Net cash)	N/A (Net cash)

CAPITAL COMMITMENTS

Save for those disclosed in Note 39 to the consolidated financial statements, the Group did not have any significant capital commitments as at 31 December 2025.

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 0.37% of the issued share capital of CN Logistics with a fair value amounted to approximately US\$477,000 as at 31 December 2025 (2024: US\$489,000). The investment represents approximately 0.3% of the total consolidated asset of the Group as at 31 December 2025 (2024: 0.4%). 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 2025, the unrealised fair value loss of such investment was approximately US\$12,000 due to the decrease in share price in CN Logistics during the Reporting Year from the carrying value as at 31 December 2024. We have received dividend of approximately US\$2,000 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.

During the Reporting Year, the Group entered into a life insurance policy to insure Mr. Lau Kwok Chu, Chief Executive Officer of the Group and an executive Director, which is considered as financial assets of our Group. Under the policy, the beneficiary and the policy holder is YesStyle.com Limited and the total insured sum is approximately US\$4,447,000. The fair value of investment in life insurance policies is determined by reference to the cash surrender value as provided by the insurance company.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the life insurance policy was pledged to a bank to secure banking facilities of our Group. For the Reporting Year, the fair value loss on financial assets at fair value through profit or loss amounted to approximately US\$882,000. As at 31 December 2025, the fair value of the life insurance policy amounted to approximately US\$3,565,000.

Save as disclosed for above, the Group did not hold any significant investments as at 31 December 2025.

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 2025 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 2025, the banking facilities of the Group mainly comprised revolving loans, term 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 and a life insurance policy of the Group which amounted to approximately US\$6,799,000 as of 31 December 2025 (2024: US\$2,931,000).

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2025, we had 619 employees (2024: 520 employees) based in Hong Kong, Chinese Mainland, Japan, South Korea, UK and Germany.

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. 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 2025, the Group did not have any material contingent liabilities (2024: Nil).

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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company has received duly signed written annual declarations dated 3 January 2025 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 2025.

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 2025.

TRANSACTIONS IN COMPREHENSIVELY 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 Comprehensively Sanctioned Countries or with Sanctioned Persons. In order to protect the interest of our Group from economic sanctions risks, we have adopted enhanced internal control and risk management measures including utilising the international sanctions databases to screen whether our business counterpart is listed on the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") or other sanctions lists, with regular updates to the screening results to ensure the counterpart has not been newly added to any sanctions list. As of 31 December 2025, the Group did not anticipate any plans for any new activities in Comprehensively Sanctioned Countries or with Sanctioned Persons.

During the Reporting Year, the Group derived revenue from sales to non-sanctioned customers located in the regions below:

	For the year ended 31 December	
	2025 US\$'000	2024 US\$'000
Afghanistan, Balkans ⁽¹⁾ , Belarus, Democratic Republic of the Congo, Egypt, Hong Kong, Iraq, Lebanon, Libya, Mali, Myanmar, Russia (excluding the Crimea, Kherson, Zaporizhzhia and LPR/DPR regions), Somalia, Tunisia, Ukraine (excluding the Crimea, Kherson, Zaporizhzhia and the so-called Donetsk People's Republic ("DPR") and so-called Luhansk People's Republic ("LPR") regions) and Zimbabwe	44,703	27,444

Note:

- (1) Balkans include Albania, Bosnia And Herzegovina, Bulgaria, Croatia, Greece, Kosovo, North Macedonia, Montenegro, Romania Serbia, Slovenia and Turkiye (Turkey).

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. LAU Kwok Chu (劉國柱), aged 51, is our Executive Director and Chief Executive Officer. 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 55, 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 51, 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) (“Mr. Lui”), aged 63, 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) (“Mr. Hui”), aged 60, was redesignated from a Non-Executive Director to an Executive Director with effect from 1 April 2026. He has been our Director since 22 March 2007 and had been appointed as senior consultant of the Company from 1 May 2025.

Mr. Hui previously spent 25 years with Pacific Century Cyber Works Limited (now known as PCCW Limited, 0008.hk), having joined the company’s Ventures Unit in 2000 and retiring in 2025. During his tenure at PCCW Group, he held several key roles, including Senior Vice President of Business Development, Chief Financial Officer of Cascade Limited (a wholly-owned subsidiary of PCCW Group), and Head of Financial and Accounting for the International Projects Unit.

Before his time at PCCW Group, from 1997 to 2000, Mr. Hui was a direct investment manager at AIG Investment Corporation (Asia) Ltd, where he managed the China Retail Fund.

Earlier in his career, Mr. Hui worked as a systems engineer at Asia Satellite Telecommunications Company Limited from 1993 to 1995 and as an associate engineer at IBM from 1990 to 1993.

Mr. Hui was appointed as an independent director of UOB-Kay Hian Holdings Limited (a company listed on the Singapore Exchange Securities Trading Limited (stock code: U10)) from 2 May 2025.

Mr. Hui holds a Bachelor of Science degree with special honours, majoring in Electrical and Computer Engineering from the University of Colorado, United States (1989), and a Master of Business Administration with academic excellence from the University of Illinois, United States (1997).

Mr. POON Chi Ho (潘智豪) (“Mr. Poon”), aged 58, 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.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Yu Cheong (陳汝昌) (“Mr. Chan”), aged 45, 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 (洗栢昌) (“Mr. Sin”), aged 50, 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) (“Mr. Wong”), aged 49, 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 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. Erik HOHMANN (“Mr. Hohmann”), aged 51, 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.

Ms. KIM In Sook (“Ms. Kim”), aged 61, 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.

DIRECTORS AND SENIOR MANAGEMENT

Mr. LAM Wai Kong Arthur (林偉江) (“Mr. Lam”), aged 47, is our Vice President of Strategy and Planning. He joined our Group in February 2025. Prior to joining our Group, Mr. Lam accumulated over 20 years of international leadership experience with United Parcel Service (UPS), where he held a broad range of senior strategy, marketing, and sales leadership roles across Canada, the United States, Europe, and Asia Pacific, at country, regional, and corporate levels. During his tenure at UPS, Mr. Lam led market expansion initiatives, growth strategy, pricing and revenue management, and large-scale transformation programs, contributing to sustained profitability and operational excellence across multiple regions.

Mr. Lam also brings extensive advisory and consulting experience. He was the Principal Consultant of EmulsifyLAB Limited, a consulting firm based in Hong Kong, where he advised multinational clients across the e-commerce, supply chain, customs brokerage, and trade consulting sectors. His work included launching new business services, re-engineering financial and management reporting frameworks, and supporting executive decision-making through data-driven insights.

Mr. Lam obtained his Bachelor of Commerce degree from the University of Toronto in Canada in 2001, a Certificate in Global Management from INSEAD in 2021, a Certificate in Innovation and Digital Transformation from IE Business School in Spain in 2024, and an Executive Master of Business Administration with Dean’s List and Beta Gamma Sigma honours from The Chinese University of Hong Kong Business School in Hong Kong in 2024.

Mr. NG Sai Cheong (伍世昌) (“Mr. Ng”), aged 49, 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 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)) from April 2017 to May 2024.

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.

Mr. Song Howon (“Mr. Song”), aged 39, is the Chief Executive Officer of *AsianBeautyWholesale*, the B2B subsidiary of YesAsia Holdings Limited. Appointed in January 2025, he brings extensive experience in the global beauty industry, having previously founded and led the internationally recognized Korean cosmetics brand Unleashia. Under his leadership, Unleashia expanded its B2B footprint to more than 150 countries worldwide. At ABW, Mr. Song oversees global wholesale expansion, international B2B strategy, and cross-border market development, with a focus on strengthening partnerships and scaling Asian beauty brands globally. Mr. Song holds a Medical Doctor degree from Yonsei University.

DIRECTORS AND SENIOR MANAGEMENT

Ms. TSANG Sau Lin, Joely (曾秀蓮) (“Ms. Tsang”), aged 57, is the Vice President of Human Resources and Administration. She joined our Group in 2019 and was promoted to Vice President in 2024. Prior to joining our Group, Ms. Tsang served as Senior Manager, Human Resources Policies & Processes for Galaxy Entertainment Group from 2014 to 2018, a company that owns and operates hotels and casinos in Macau through its subsidiary, Galaxy Casino S.A. She was responsible for designing and developing HR-related policies and processes for operations encompassing over 26,000 employees in Hong Kong and Macau. Ms. Tsang also served in Adidas Group, Asia Pacific as an HR officer and progressed to Mobility Manager from 2007 to 2013, the company is a German athletic apparel and footwear corporation headquartered in Herzogenaurach, Bavaria, Germany. It is the largest sportswear manufacturer in Europe and the second largest globally. She oversaw compensation analyses based on local market conditions, facilitated training and development programs, implemented the performance appraisal process, standardized overseas assignments, and ensured compliance with Hong Kong and its respective laws and requirements. She worked at Targus Group International from 2001 to 2007 as HR and Administration Manager, overseeing the HR operations of the businesses in Asia Pacific. The company is a multinational mobile computing accessories company that designs, manufactures, and sells computer accessories.

Ms. Tsang attended a Bachelor of Business Administration study from the Open University of Hong Kong in 1996 and her Diploma in Human Resources Management from the Hong Kong Management Association in 2007.

Mr. WAN Siu Chung (溫兆聰) (“Mr. Wan”), aged 49, 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.

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2025.

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 2025, 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 2025, 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.

CORPORATE GOVERNANCE REPORT

(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 2025 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

* With effect from 1 April 2026, Mr. Hui Yat Yan Henry will be redesignated from Non-executive Director to Executive Director.

The biographical information and relationships of the Directors are set out in the section of “Directors and Senior Management” on pages 34 to 40 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 Directors 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.

(iv) Independent Non-Executive Directors

During the year ended 31 December 2025, 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 2025, 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.

CORPORATE GOVERNANCE REPORT

(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 2025 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 2025, 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	6/7
Mr. Poon Chi Ho	1/1	5/7
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.

CORPORATE GOVERNANCE REPORT

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 2025, the overall workforce of the Group was consisted of 178 (28.8%) male and 441 (71.2%) 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 2025. 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 member 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 2025 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 2025 are set out below:

Remuneration Band	Number of Individuals
HK\$1,000,001 to HK\$1,500,000	3
HK\$1,500,001 to HK\$2,000,000	2
HK\$2,000,001 to HK\$2,500,000	1
HK\$2,500,001 to HK\$3,000,000	1
HK\$3,000,001 to HK\$3,500,000	–
Over HK\$3,500,000	1

(ix) Continuous Professional Development of Directors

The Directors 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 records that they had complied with Code Provision C.1.4 by making use of above arrangements during the Reporting Year as follows:

Name of Directors	Directors' training by topics					Updates on industry-specific, business trends and strategies
	Corporate governance and ESG matters	Directors' roles, functions and responsibilities	Issuers' obligations and directors' duties	Risk management and internal controls		
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 three Independent Non-executive Directors, namely, 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 2025, with details of attendance are set out below:

Audit Committee members	Attendance/ Number of meetings held
Mr. Wong Chee Chung (<i>Chairman</i>)	5/5
Mr. Chan Yu Cheong	5/5
Mr. Sin Pak Cheong Philip Charles	5/5
Mr. Hui Yat Yan Henry (<i>Ceased to be a member on 25 April 2025</i>)	2/2

During the year ended 31 December 2025, 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 2024 and the unaudited interim financial statements for the six months ended 30 June 2025, 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 2025, with details of attendance are set out below:

Remuneration Committee members	Attendance/ Number of meetings held
Mr. Chan Yu Cheong (<i>Chairman</i>)	3/3
Mr. Poon Chi Ho	2/3
Mr. Wong Chee Chung	3/3
Mr. Sin Pak Cheong Philip Charles	3/3

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, 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 2,000,000 Options carrying rights to subscribe for a maximum of an aggregate of 20,000,000 Shares to 1 senior manager of the Group on 2 January 2025;
- Grant of 432,000 Options carrying rights to subscribe for a maximum of an aggregate of 4,320,000 Shares to 6 senior managers and 78 employees of the Group on 25 April 2025;
- Grant of 50,000 Options carrying rights to subscribe for a maximum of an aggregate of 500,000 Shares to a non-executive Director of the Group, Mr. Hui Yat Yan Henry on 2 May 2025; and
- Grant of 340,000 Options carrying rights to subscribe for a maximum of an aggregate of 3,400,000 Shares to 35 employees of the Group on 27 October 2025.

(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, Ms. Chu Lai King (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, assist the Board in maintaining a board skills matrix and to identify individuals suitably qualified to become Board members. It is also responsible for assessing the independence of independent non-executive Directors, making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors and supporting the Company's regular evaluation of the Board's performance.

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.

CORPORATE GOVERNANCE REPORT

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 2025, with details of attendance are set out below:

Nomination Committee members	Attendance/ Number of meetings held
Mr. Sin Pak Cheong Philip Charles (<i>Chairman</i>)	2/2
Mr. Chan Yu Cheong	2/2
Mr. Wong Chee Chung	2/2
Mr. Chu Kin Hang (<i>Ceased to be a member on 25 April 2025</i>)	1/1
Ms. Chu Lai King (<i>Appointed to be a member on 25 April 2025</i>)	1/1

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 2025.

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 2025 is set out in the "Independent Auditor's Report" on pages 82 to 88 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 2025 (US\$'000)
Audit Services	
– Annual audit	236
Non-audit services	17
Total	253

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.

CORPORATE GOVERNANCE REPORT

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.

CORPORATE GOVERNANCE REPORT

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.

CORPORATE GOVERNANCE REPORT

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. During the year ended 31 December 2025, 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 2025.

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 89 to 166.

The Directors recommended the payment of a final dividend of HK 10.0 cents per Share for the year ended 31 December 2025 (2024: HK 7.5 cents), totalling approximately US\$5,389,000 (2024: US\$3,988,000), based on the number of shares of 417,662,715 as at 31 December 2025. 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 8.

BORROWINGS

As at 31 December 2025, the Group had bank borrowings of approximately US\$7,566,000 (2024: Nil).

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Year are set out in Note 30 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 32 to the consolidated financial statements and the consolidated statement of changes in equity on page 92.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had retained earnings of approximately US\$1,687,000 available for distribution, as computed in accordance with provisions of sections 291, 297 and 299 of the Companies Ordinance (2024: US\$74,000).

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 36 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

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

REPORT OF THE DIRECTORS

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 2,822,000 options (2024: 389,000 options) under the Post-IPO Share Option Scheme (each option shall entitle the holder to subscribe for 10 Shares) and issue of new shares with details set out in the section headed "Use of Proceeds from Issuing New Shares".

The Group is expected to recognise equity-settled share option expenses over the vesting period of approximately US\$4,058,000, US\$2,819,000, US\$1,433,000, US\$629,000 and US\$40,000 for the year ended 31 December 2025, 2026, 2027, 2028 and 2029 respectively as a result of the grant of 2,822,000 options during the Reporting Year.

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\$100,000 charitable donation in cash during the Reporting Year (2024: US\$1,000).

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 2025.

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 18 to 33 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.

REPORT OF THE DIRECTORS

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 2025 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 14 and 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)

* With effect from 1 April 2026, Mr. Hui Yat Yan Henry will be redesignated from Non-executive Director to Executive Director.

Biographical details of Directors and senior management of the Company are set out on pages 34 to 40. 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.

REPORT OF THE DIRECTORS

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. Chan Cheuk Wing
Ms. Fung Man Yee Joyce (Resigned on 13 March 2026)
Mr. Erik Hohmann
Mr. Ng Sai Cheong
Mr. Song Howon

RE-ELECTION OF DIRECTORS

Pursuant to Article 99 of the Articles of the Company, and with recommendation of the Nomination Committee, Mr. Lui Pak Shing Michael, Mr. Chan Yu Cheong and Mr. Wong Chee Chung will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM.

For good corporate governance, Mr. HUI Yat Yan Henry who was redesignated from a Non-executive Director to an Executive Director with effect from 1 April 2026 will also offer himself for election by Shareholders 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 2025, 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	29.85%
	Interest of Spouse	Long position	28,939,550	6.93%
Ms. Chu Lai King (朱麗琼) ⁽¹⁾	Beneficial interest	Long position	28,939,550	6.93%
	Interest of Spouse	Long position	124,670,980	29.85%
Mr. Chu Kin Hang (朱健恒) ⁽²⁾	Beneficial interest	Long position	4,692,120	1.12%
Mr. Lui Pak Shing Michael (雷百成) ⁽³⁾	Beneficial interest	Long position	31,408,210	7.52%
Mr. Hui Yat Yan Henry (許日昕) ⁽⁴⁾	Beneficial interest	Long position	600,000	0.14%
Mr. Poon Chi Ho (潘智豪) ⁽⁵⁾	Beneficial interest	Long position	100,000	0.02%
Mr. Chan Yu Cheong (陳汝昌) ⁽⁶⁾	Beneficial interest	Long position	100,000	0.02%
Mr. Sin Pak Cheong Philip Charles (冼栢昌) ⁽⁷⁾	Beneficial interest	Long position	100,000	0.02%
Mr. Wong Chee Chung (王子聰) ⁽⁸⁾	Beneficial interest	Long position	100,000	0.02%

REPORT OF THE DIRECTORS

Notes:

- (1) As at 31 December 2025, Mr. Lau directly held 124,570,980 Shares, and held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 100,000 Shares respectively.

As at 31 December 2025, Ms. Chu directly held 28,839,550 Shares, and held options under the Post-IPO Share Option Scheme which entitled her to subscribe for 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 153,610,530 Shares as at 31 December 2025, representing approximately 36.78% of the issued share capital of the Company as at 31 December 2025).

- (2) Mr. Chu Kin Hang is the brother of Ms. Chu and brother-in-law of Mr. Lau. As at 31 December 2025, Mr. Chu directly held 4,592,120 Shares, and held options under the Post-IPO Share Option Scheme which entitled him to subscribe 100,000 Shares.
- (3) As at 31 December 2025, Mr. Lui Pak Shing Michael directly held 31,308,210 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 2025, Mr. Hui Yat Yan Henry directly held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 600,000 Shares.
- (5) As at 31 December 2025, 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 2025, 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 2025, Mr. Sin Pak Cheong Philip Charles directly held 37,500 Shares, and held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 62,500 Shares.
- (8) As at 31 December 2025, Mr. Wong Chee Chung directly held 50,000 Shares, and held options under the Post-IPO Share Option Scheme which entitled him to subscribe for 50,000 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 2025, 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	9.51%
CyberWorks Ventures Limited ⁽¹⁾	Interest in controlled corporation	Long Position	39,704,030	9.51%
PCCW Limited ⁽¹⁾⁽³⁾	Interest in controlled corporation	Long Position	39,704,030	9.51%
Stonepath Group, Inc. ⁽²⁾	Beneficial interest	Long Position	26,000,000	6.23%

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.

REPORT OF THE DIRECTORS

(3) As at 31 December 2025, 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. 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 2025, 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 as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEMES

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 2025	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 2025	Date of grant	Vesting period	Exercise period	Exercise price per option US\$
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	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	0.80
4 Grantees	22,163	-	(4,125) ⁽¹⁾	-	-	18,038	27 April 2018	1 April 2018 to 1 April 2022	1 April 2019 to 27 April 2028	1.20
2 Grantees	21,875	-	(2,000) ⁽¹⁾	-	-	19,875	26 July 2018	1 April 2018 to 1 April 2022	1 April 2019 to 26 July 2028	1.20
3 Grantees	31,309	-	-	-	-	31,309	24 January 2019	1 January 2019 to 1 January 2023	1 January 2020 to 24 January 2029	1.20
11 Grantees	22,809	-	(1,724) ⁽¹⁾	-	-	21,085	25 April 2019	25 April 2019 to 25 April 2023	25 April 2020 to 25 April 2029	1.55
1 Grantee	9,650	-	(8,000) ⁽¹⁾	-	-	1,650	15 August 2019	15 August 2019 to 15 August 2023	15 August 2020 to 15 August 2029	1.55
Nil Grantee	39,900	-	(39,900) ⁽¹⁾	-	-	-	6 February 2020	6 February 2020 to 6 February 2024	6 February 2021 to 6 February 2030	1.55

REPORT OF THE DIRECTORS

Name of category/ participant	Outstanding as at 1 January 2025	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 2025	Date of grant	Vesting period	Exercise period	Exercise price per option US\$
17 Grantees	116,500	-	(30,200) ⁽¹⁾	-	-	86,300	23 April 2020	23 April 2020 to 23 April 2024	23 April 2021 to 23 April 2030	2.01
1 Grantee	15,000	-	(2,000) ⁽¹⁾	-	-	13,000	30 July 2020	30 July 2020 to 30 July 2024	30 July 2021 30 July 2030	2.01
7 Grantees	94,976	-	(65,826) ⁽¹⁾	-	-	29,150	29 October 2020	29 October 2020 to 29 October 2024	29 October 2021 to 29 October 2030	2.01
7 Grantees	76,450	-	(32,450) ⁽¹⁾	-	-	44,000	28 January 2021	28 January 2021 to 28 January 2025	28 January 2022 to 28 January 2031	2.01
43 Grantees	230,175	-	(74,325) ⁽¹⁾	-	-	155,850	29 April 2021	29 April 2021 to 29 April 2025	29 April 2022 to 29 April 2031	2.01
Total	686,258	-	(260,550)	-	-	425,708				

* Represents number of grantees as at 31 December 2025.

As at 1 January 2025, 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 6,862,580 Shares, which represented about 1.67% of the total number of issued Shares of the Company as at 1 January 2025. As at 31 December 2025, 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 4,257,080 Shares, which represented about 1.02% of the total number of issued Shares of the Company as at 31 December 2025.

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\$496,000 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 Note 33 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 2025, i) the exercise date; ii) the number of exercised options under the 2016 Share Option Scheme; and iii) the weighted average closing prices of Shares immediately before the exercise date are as follows:

Exercise date	Number of exercised options	The weighted average closing prices of Shares immediately before the exercise date
8 January 2025	19,200	HK\$5.08
15 January 2025	11,200	HK\$5.16
22 January 2025	24,795	HK\$5.22
5 February 2025	5,512	HK\$3.41
10 February 2025	17,125	HK\$3.18
12 February 2025	1,250	HK\$3.04
10 March 2025	1,062	HK\$2.49
23 April 2025	2,097	HK\$3.26
30 April 2025	9,538	HK\$4.22
7 May 2025	563	HK\$4.11
14 May 2025	225	HK\$4.12
19 May 2025	62,500	HK\$3.98
21 May 2025	4,600	HK\$3.98
28 May 2025	5,700	HK\$4.45
4 June 2025	13,015	HK\$4.81
9 July 2025	7,525	HK\$5.71
16 July 2025	3,175	HK\$6.09
23 July 2025	4,000	HK\$5.71
30 July 2025	3,400	HK\$5.23
27 August 2025	18,062	HK\$4.96
3 September 2025	9,900	HK\$6.98
4 September 2025	2,200	HK\$7.02
10 September 2025	2,300	HK\$6.90
17 September 2025	4,500	HK\$6.63
24 September 2025	8,800	HK\$6.53
8 October 2025	2,000	HK\$6.26
5 November 2025	6,118	HK\$4.91
8 December 2025	5,000	HK\$4.51
17 December 2025	5,000	HK\$4.13
31 December 2025	188	HK\$3.97
Total:	260,550	

REPORT OF THE DIRECTORS

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 2016 Share Option Scheme). 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.

REPORT OF THE DIRECTORS

During the Reporting Year, 2,822,000 options carrying rights to subscribe for a maximum of 28,220,000 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 2025	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 2025	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	
	-	50,000 ^(a)	-	-	-	50,000	2 May 2025	2 May 2025 to 1 May 2029	2 May 2026 to 1 May 2035	42.3	4.07	135
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	50,000	-	-	-	80,000						135
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	6,250	-	-	-	-	6,250	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	-	(5,000) ^(a)	-	-	5,000	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
Subtotal	26,250	-	(5,000)	-	-	21,250						
Other Employees*												
2 Grantees	13,800	-	(3,800) ^(a)	-	-	10,000	30 August 2021	30 August 2021 to 29 August 2025	30 August 2022 to 29 August 2031	24.48	2.16	
1 Grantees	6,250	-	(1,250) ^(a)	-	-	5,000	29 October 2021	29 October 2021 to 28 October 2025	29 October 2022 to 28 October 2031	14.28	1.40	
56 Grantees	117,894	-	(22,050) ^(a)	(625)	-	95,219	21 April 2022	21 April 2022 to 20 April 2026	21 April 2023 to 20 April 2032	11.60	1.16	
6 Grantees	21,925	-	(6,187) ^(a)	-	-	15,738	31 October 2022	31 October 2022 to 30 October 2026	31 October 2023 to 30 October 2032	5.80	0.56	
68 Grantees	156,775	-	(26,607) ^(a)	(2,094)	-	128,074	21 April 2023	21 April 2023 to 20 April 2027	21 April 2024 to 20 April 2033	5.10	0.52	

Name of category/ participant	Outstanding as at 1 January 2025	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 2025	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
2 Grantees	25,000	-	(4,375)	(10,000)	-	10,625	27 October 2023	27 October 2023 to 26 October 2027	27 October 2024 to 26 October 2033	4.70	0.47	
68 Grantees	294,000	-	(49,006) ^(a)	(688)	-	244,306	26 April 2024	26 April 2024 to 25 April 2028	26 April 2025 to 25 April 2034	7.90	0.75	
5 Grantees	65,000	-	(6,200)	-	-	58,800	29 July 2024	29 July 2024 to 28 July 2028	29 July 2025 to 28 July 2034	49.4	4.94	
3 Grantees	15,000	-	-	-	-	15,000	20 December 2024	20 December 2024 to 19 December 2028	20 December 2025 to 19 December 2034	46.8	4.68	
1 Grantee	-	2,000,000 ^(b)	-	-	-	2,000,000	2 January 2025	2 January 2025 to 1 January 2029	2 January 2026 to 1 January 2035	49.6	5.10	6,722
83 Grantees	-	432,000 ^(c)	-	(5,000)	-	427,000	25 April 2025	25 April 2025 to 24 April 2029	25 April 2026 to 24 April 2035	42.0	4.39	1,140
35 Grantees	-	340,000 ^(d)	-	-	-	340,000	27 October 2025	27 October 2025 to 26 October 2029	27 October 2026 to 26 October 2035	54.5	5.53	983
Subtotal	715,644	2,772,000	(119,475)	(18,407)	-	3,349,762						8,845
Total	801,894	2,822,000	(124,475)	(18,407)	-	3,481,012						8,980

* Represents number of grantees as at 31 December 2025.

Notes:

- (1) On 2 January 2025, 2,000,000 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\$6,722,000. Please refer to the Note 33 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 2,000,000 options was HK\$4.96.
- (2) On 25 April 2025, 432,000 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\$1,140,000. Please refer to the Note 33 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 432,000 options was HK\$4.20.
- (3) On 2 May 2025, 50,000 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\$135,000. Please refer to the Note 33 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 50,000 options was HK\$4.07.
- (4) On 27 October 2025, 340,000 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\$983,000. Please refer to the Note 33 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 340,000 options was HK\$5.53.

REPORT OF THE DIRECTORS

- (5) During the year ended 31 December 2025, i) the exercise date; ii) the number of exercised options under the Post-IPO Share Option Scheme; and iii) the weighted average closing prices of Shares immediately before the exercise date are as follows:

Exercise date	Number of exercised options	The weighted average closing prices of Shares immediately before the exercise date
15 January 2025	300	HK\$5.16
22 January 2025	2,337	HK\$5.22
5 February 2025	1,475	HK\$3.41
10 February 2025	5,062	HK\$3.18
12 February 2025	313	HK\$3.04
10 March 2025	3,031	HK\$2.49
9 April 2025	2,100	HK\$2.97
23 April 2025	3,438	HK\$3.26
30 April 2025	12,469	HK\$4.22
7 May 2025	100	HK\$4.11
14 May 2025	2,275	HK\$4.12
19 May 2025	19,500	HK\$3.98
21 May 2025	1,250	HK\$3.98
28 May 2025	2,800	HK\$4.45
4 June 2025	4,300	HK\$4.81
9 July 2025	5,325	HK\$5.71
16 July 2025	1,325	HK\$6.09
23 July 2025	1,787	HK\$5.71
30 July 2025	2,912	HK\$5.23
6 August 2025	738	HK\$4.71
20 August 2025	625	HK\$4.68
27 August 2025	13,925	HK\$4.96
3 September 2025	19,599	HK\$6.98
10 September 2025	1,600	HK\$6.90
17 September 2025	1,800	HK\$6.63
24 September 2025	1,000	HK\$6.53
8 October 2025	1,500	HK\$6.26
15 October 2025	300	HK\$5.76
22 October 2025	3,269	HK\$5.59
5 November 2025	2,338	HK\$4.91
26 November 2025	1,138	HK\$4.55
8 December 2025	625	HK\$4.51
10 December 2025	1,325	HK\$4.49
24 December 2025	2,594	HK\$4.08
Total:	124,475	

As at 1 January 2025, 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 8,018,940 shares, which represented about 1.96% of the total number of issued shares of the Company as at 1 January 2025. As at 31 December 2025, 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 34,810,120 shares, which represented about 8.33% of the total number of issued shares of the Company as at 31 December 2025.

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.

The total proceeds of approximately US\$166,000 received from exercised share options under Post-IPO 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 Note 33 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:

	2016 Share Option Scheme	Post-IPO Share Option Scheme
Number of Options available for grant		
As at 1 January 2025	–	3,003,407
As at 31 December 2025	–	199,814
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⁽²⁾		
	–	0.69%
Remaining life of the option scheme as at 31 December 2025		
	– ⁽¹⁾	5.52 years
As at the date of annual report		
Total number of Shares available for issue under the option scheme in respect of Options granted	4,210,712	8,323,136
% of the total number of issued Shares	1.01%	1.99%
Total number of Shares available for issue upon exercise of all share options that could be granted	– ⁽¹⁾	2,003,142
% of the total number of issued Shares	–	0.48%

⁽¹⁾ 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.

⁽²⁾ Please refer to Note 33 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.

REPORT OF THE DIRECTORS

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 0.9% (2024: 0.3%) of the Group's total revenue. The five largest customers accounted for approximately 3.7% (2024: 1.1%) of the Group's total revenue for the Reporting Year.

The Group's five largest suppliers together accounted for approximately 41.2% (2024: 42.2%) of the Group's total purchase for the Reporting Year. The largest supplier accounted for approximately 12.6% (2024: 11.4%) 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 ISSUING NEW SHARES

On 26 August 2025, the Company and The Founders Inc. (“**Subscriber**”) entered into the subscription agreement (“**Subscription Agreement**”) pursuant to which the Company has conditionally agreed to issue and allot under the general mandate which were granted to the Directors by the shareholders resolution passed at the annual general meeting of the Company on 20 June 2025, and the Subscriber has conditionally agreed to subscribe for, 4,100,000 Shares (“**Subscription Share(s)**”) at the subscription price of HK\$5.55 per Subscription Share (“**Subscription**”). The subscription price of HK\$5.55 per Subscription Share represents a discount of approximately 1.77% to the closing price of HK\$5.65 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement (i.e. 26 August 2025).

On 11 September 2025, the conditions under the Subscription Agreement had been fulfilled and the Subscription was completed. The Company allotted and issued to the Subscriber 4,100,000 Subscription Shares at the subscription price of HK\$5.55 per Subscription Share pursuant to the terms of the Subscription Agreement. The Company received net proceeds of HK\$22,755,000, of which approximately HK\$20,479,500 were intended to be used for the expansion of *AsianBeautyWholesale* business including building up inventory for overseas warehouses and approximately HK\$2,275,500 were intended to be used for general working capital purposes.

For details of the Subscription, please refer to the Company’s announcements dated 26 August 2025 and 11 September 2025.

The Directors were of the view that the Subscription represented a good opportunity for the Group to raise further capital at a reasonable cost, which in turn can enhance and strengthen the financial position of the Group and facilitate the future growth and development of the Group by expansion of the scale of its business operation and financing its working capital needs. The Directors also considered that the Subscription also represented a good opportunity for the Company to broaden its shareholder and capital base.

As the 31 December 2025, the Company has fully utilised the net proceeds from the Subscription, in accordance with the intended purpose as disclosed under the section headed “Use of Proceeds” of the announcement of the Company dated on 26 August 2025 as set out below:

Use of proceeds	Planned use <i>HK\$ million</i>	Net proceeds utilised during the year ended 31 December 2025	Net proceeds unutilised as at 31 December 2025
		<i>HK\$ million</i>	<i>HK\$ million</i>
1. Expansion of AsianBeautyWholesale business including building up inventory for overseas warehouses	20.5	20.5	–
2. General working capital	2.2	2.2	–
Total	22.7	22.7	–

REPORT OF THE DIRECTORS

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 40 to the consolidated financial statements.

CLOSURE OF REGISTER OF MEMBERS

In relation to the AGM

The forthcoming AGM is scheduled to be held on Thursday, 18 June 2026. For ascertaining shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 12 June 2026 to Thursday, 18 June 2026, 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 Thursday, 11 June 2026.

In relation to the proposed final dividend

The Board has resolved to recommend the payment of a final dividend of HK 10.0 cents per Share in cash for the year ended 31 December 2025 to shareholders whose names appear on the register of members of the Company on 2 July 2026, 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 26 June 2026, Friday, to 2 July 2026, 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 25 June 2026, 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, 27 March 2026



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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 89 to 166, which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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 (“HKSA”) as 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”), as applicable to audits of financial statements of public interest entities. We have also 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.



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 matters we identified are:

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(n) and Note 8 to the consolidated financial statements, respectively. For the year ended 31 December 2025, revenue generated from self-operated online platform amounted to US\$447,764,000, represented 89.3% of the Group's total revenue, which is set out in Note 8 to the consolidated financial statements.

How our audit addressed the key audit matter

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;



KEY AUDIT MATTERS (CONTINUED)

Key audit matter

Recognition of revenue generated from self-operated online platform (continued)

How our audit addressed the key audit matter

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, goods 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 identify 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.



Key audit matter

Provision for inventory

As at 31 December 2025, the Group had net inventories of approximately US\$69,135,000, representing approximately 42.2% of the Group's total assets.

The Group is engaged in the trading of fashion wears and beauty products through both online and offline channels. The business is subject to rapidly evolving market trends and competitive dynamics. Certain products, particularly beauty products, have limited shelf lives and are susceptible to spoilage and obsolescence.

Inventories are required to be stated at the lower of cost and net realisable value ("NRV"). Management exercises significant judgement in assessing the appropriate level of inventory provision and determining whether inventories are carried at NRV. The provision is determined based on the sales performance of individual stock keeping units ("SKUs") and an ageing analysis performed at the end of each reporting period. Specific provisions are made for near-expiry and slow-moving inventories by SKU, taking into account factors such as expected selling prices, historical sales patterns, expiry dates, economic outlook, the Group's business strategy, confirmed orders from wholesalers, and overall marketability of inventories.

Given the magnitude of the inventory balance and the significant management judgement involved in estimating NRV and determining the inventory provision, we considered this area to be a key audit matter.

How our audit addressed the key audit matter

Our audit procedures in relation to the provision for inventory included:

- Obtaining an understanding of, and evaluating the design and implementation of, key controls over the inventory provisioning and valuation process;
- Assessing the appropriateness of management's methodology for determining NRV and the inventory provision;
- Testing, on a sample basis, the accuracy of the inventory ageing analysis by agreeing it to underlying inventory records;
- Comparing the carrying amounts of selected SKUs to their estimated NRV by reference to subsequent sales prices after the year end, net of selling costs;
- Evaluating the reasonableness of provisions made for slow-moving and near-expiry inventories by reviewing historical sales performance, expiry dates and discounting practices; and
- Assessing whether inventories were appropriately stated at the lower of cost and NRV in accordance with the applicable financial reporting standards.



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 HKFRS Accounting Standards as 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 HKSA's 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.

As part of an audit in accordance with HKSA's, 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.



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

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 (practising certificate number: P05893).

RSM Hong Kong

Certified Public Accountants

27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Revenue	8	501,544	345,782
Cost of sales		(353,041)	(240,396)
Gross profit		148,503	105,386
Other income and other gains and losses	9	(707)	1,296
Selling expenses		(59,904)	(42,121)
Administrative expenses		(56,693)	(39,761)
Share of loss of an associate		(55)	–
Profit from operations		31,144	24,800
Finance costs	11	(1,825)	(1,300)
Profit before tax		29,319	23,500
Income tax expense	12	(6,179)	(4,458)
Profit for the year	13	23,140	19,042
Attributable to:			
Owners of the Company		23,215	19,055
Non-controlling interests		(75)	(13)
		23,140	19,042
Earnings per share	17		
Basic (US cents per share)		5.62	4.74
Diluted (US cents per share)		5.50	4.60

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Profit for the year		23,140	19,042
Other comprehensive income:			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement gains on defined benefit obligations		–	10
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		98	(786)
Other comprehensive income for the year, net of tax		98	(776)
Total comprehensive income for the year		23,238	18,266
Attributable to:			
Owners of the Company		23,313	18,279
Non-controlling interests		(75)	(13)
		23,238	18,266

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Non-current assets			
Property, plant and equipment	18	10,294	3,143
Right-of-use assets	19	26,189	21,669
Investment in an associate	37	445	–
Financial assets at fair value through profit or loss (“FVTPL”)	20	477	1,397
Prepayments and deposits	22	2,483	4,857
Total non-current assets		39,888	31,066
Current assets			
Inventories		69,135	55,097
Trade and other receivables	21	20,310	9,971
Financial assets at FVTPL	20	3,565	–
Prepayments and deposits	22	11,657	5,969
Current tax assets		26	6
Pledged bank fixed deposits	23(a)	3,234	2,931
Bank and cash balances	23	15,942	15,529
Total current assets		123,869	89,503
Current liabilities			
Trade and other payables and accruals	24	26,334	22,665
Contract liabilities	25	16,482	16,262
Provisions	26	576	392
Lease liabilities	27	8,178	8,146
Bank borrowings	28	7,566	–
Current tax liabilities		3,488	3,517
Total current liabilities		62,624	50,982
Net current assets		61,245	38,521
Total assets less current liabilities		101,133	69,587
Non-current liabilities			
Provisions	26	2,200	1,939
Lease liabilities	27	18,877	14,658
Total non-current liabilities		21,077	16,597
Net assets		80,056	52,990
Capital and reserves			
Share capital	30	28,286	24,182
Reserves	32	51,859	28,822
Equity attributable to owners of the Company		80,145	53,004
Non-controlling interests		(89)	(14)
Total equity		80,056	52,990

Approved by the Board of Directors on 27 March 2026 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 2025

	Attributable to shareholders of the Company																	
	Share capital US\$'000 (Note 30)	Share-based payment reserve US\$'000 (Note 32(c)(i))	Capital reserve US\$'000 (Note 32(c)(ii))	Merger reserve US\$'000 (Note 32(c)(iii))	Foreign currency translation reserve US\$'000 (Note 32(c)(iv))	(Accumulated losses)/ retained earnings US\$'000	Sub-total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000									
At 1 January 2024	20,640	2,740	14,342	2,271	(45)	(4,893)	35,055	(1)	35,054									
Profit for the year	-	-	-	-	-	19,055	19,055	(13)	19,042									
Other comprehensive income	-	-	-	-	(786)	10	(776)	-	(776)									
Total comprehensive income for the year	-	-	-	-	(786)	19,065	18,279	(13)	18,266									
Issue of shares under share option schemes (Note 30)	3,542	(1,516)	-	-	-	-	2,026	-	2,026									
Dividend paid (Note 16)	-	-	-	-	-	(2,579)	(2,579)	-	(2,579)									
Recognition of share-based payments (Note 33)	-	223	-	-	-	-	223	-	223									
Forfeiture of share options (Note 32)	-	(77)	-	-	-	77	-	-	-									
Changes in equity for the year	3,542	(1,370)	-	-	(786)	16,563	17,949	(13)	17,936									
At 31 December 2024 and 1 January 2025	24,182	1,370	14,342	2,271	(831)	11,670	53,004	(14)	52,990									
Profit for the year	-	-	-	-	-	23,215	23,215	(75)	23,140									
Other comprehensive income	-	-	-	-	98	-	98	-	98									
Total comprehensive income for the year	-	-	-	-	98	23,215	23,313	(75)	23,238									
Issue of shares under share option schemes (Note 30)	1,168	(506)	-	-	-	-	662	-	662									
Placement of new shares (Note 30)	2,936	-	-	-	-	-	2,936	-	2,936									
Dividend paid (Note 16)	-	-	-	-	-	(3,988)	(3,988)	-	(3,988)									
Recognition of share-based payments (Note 33)	-	4,218	-	-	-	-	4,218	-	4,218									
Forfeiture of share options (Note 33)	-	(3)	-	-	-	3	-	-	-									
Changes in equity for the year	4,104	3,709	-	-	98	19,230	27,141	(75)	27,066									
At 31 December 2025	28,286	5,079	14,342	2,271	(733)	30,900	80,145	(89)	80,056									

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 US\$'000	2024 <i>US\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		29,319	23,500
Adjustments for:			
(Reversal of write down)/write down of inventories, net	13	(157)	169
Interest income	9	(132)	(238)
Depreciation of property, plant and equipment	13, 18	2,421	1,498
Depreciation of right-of-use assets	13, 19	8,751	5,606
Equity-settled share-based payments	14	4,218	223
Fair value loss on financial assets at FVTPL	9	894	335
Finance costs	11	1,825	1,300
Property, plant and equipment written off	9	15	–
(Reversal of unused provision)/provision for sales return	26	(21)	(13)
Provision for employee benefits, net	26	349	280
Reversal of unused provision for reinstatement costs	26	(1)	(8)
Share of loss of an associate	37	55	–
Gain on remeasurement upon modification	9	(12)	–
Operating profit before working capital changes		47,524	32,652
Increase in inventories		(13,881)	(34,417)
Increase in trade and other receivables		(10,339)	(4,114)
Increase in prepayments and deposits		(6,327)	(3,159)
Increase in trade and other payables and accruals		3,417	9,891
Increase in contract liabilities		220	3,527
Decrease in provisions		(19)	(25)
Cash generated from operations		20,595	4,355
Income taxes paid		(6,264)	(1,196)
Interest on bank borrowings	11	(407)	(119)
Interest on lease liabilities	11	(1,299)	(1,091)
Net cash generated from operating activities		12,625	1,949

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/decrease in non-pledged bank fixed deposits	23(a)(ii)	(2)	12
Increase in financial assets at FVTPL, net		(3,539)	–
Interest received		112	212
Investment in an associate		(400)	(100)
Deposit paid for property plant and equipment		–	(2,933)
Purchases of property, plant and equipment	18	(6,651)	(290)
Net cash used in investing activities		(10,480)	(3,099)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings raised		20,863	9,300
Repayment of borrowings		(13,297)	(9,300)
Principal elements of lease payments	34(a)	(8,977)	(5,452)
Proceeds from issuance of shares	30	3,598	2,026
Increase in pledged bank fixed deposits		(303)	(1,674)
Dividend paid		(3,736)	(2,411)
Net cash used in financing activities		(1,852)	(7,511)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		293	(8,661)
Effect of foreign exchange rate changes		118	(979)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR			
		15,448	25,088
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		15,859	15,448
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		15,942	15,529
Less: Bank fixed deposits with original maturity beyond three months	23(a)(ii)	(83)	(81)
		15,859	15,448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 36 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 HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards 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 HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 to the consolidated financial statements 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has adopted all of the new or amended HKFRS Accounting Standards and Interpretations as issued by the HKICPA that are mandatory for the current reporting period. There was no material impact to the consolidated financial statements as a result of the adoption of these standards.

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The Group's assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
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 are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONTINUED)

(b) Revised HKFRS Accounting Standards in issue but not yet effective (Continued)

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 will replace HKAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group presents and discloses financial performance in the consolidated financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. The entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the consolidated financial statements.
- Enhanced guidance is provided on how information should be grouped in the consolidated financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONTINUED)

(b) Revised HKFRS Accounting Standards in issue but not yet effective (Continued)

HKFRS 18 "Presentation and Disclosure in Financial Statements" (Continued)

- **Reclassification within the consolidated statement of profit or loss**

HKFRS 18 introduces mandatory categories, including operating, investing and financing. Income and expense items that do not arise from the Group's principal revenue-generating activities including interest income from bank deposits, fair value gains or losses on financial assets at fair value through profit or loss, share of results of an associate, and finance costs relating to lease liabilities and bank borrowings are expected to be presented within the investing or financing categories rather than within operating results in accordance with the new classification requirements.

- **Defined operating profit subtotal**

HKFRS 18 introduces a defined operating profit subtotal based on prescribed classification principles. As certain income and expense items currently included within operating results may be presented within the investing or financing categories under HKFRS 18, the composition of operating profit will change. However, the adoption of HKFRS 18 is not expected to have any impact on profit before tax, profit for the year, total comprehensive income or total equity or total cash flows.

- **Consolidated statement of cash flows**

As the Group presents operating cash flows using the indirect method, the reconciliation will be required to start from the defined operating profit subtotal under HKFRS 18 rather than profit before tax. This is expected to result in presentation changes within the consolidated statement of cash flows, without affecting total net cash flows.

- **MPMs**

HKFRS 18 requires entities to disclose information about management-defined performance measures that are used in public communications and that communicate management's view of the Group's financial performance. The Group is assessing whether any performance measures disclosed in its public communications, including the Management Discussion and Analysis, meet the definition of management-defined performance measures under HKFRS 18 and whether additional disclosures or reconciliations will be required in the consolidated financial statements.

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 HKFRS Accounting Standards 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 area 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 is 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	4–5 years
Computer software and equipment	3–7 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 is 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 on 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, e.g. 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 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.

When inventories are sold, their carrying amount is recognised as an expense in the period in which the related revenue is recognised. Any write-down of inventories to net realisable value and all inventory losses are recognised as an expense in the period in which they arise. Any reversal of a previous write-down is recognised as a reduction in inventories recognised as an expense in the period in which the reversal occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 4(n)). 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 (see Note 4(j)).

(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.

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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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 expected credit losses (“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 retained earnings. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 HKFRS Accounting Standards. 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) **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(n) **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 historical experience.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(n) Revenue and other income (Continued)

(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.

(iv) Others

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

Marketing income is recognised at a point in time when the agreed marketing services have been rendered.

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.

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 or FVTOCI (recycling) 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) *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 – defined contribution plans

Hong Kong

The Group contributes to defined contribution MPF Scheme under the Mandatory Provident Fund Schemes Ordinance in Hong Kong, for those employees who are eligible to participate in the MPF Scheme. 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.

South Korea

The Group and the employees in Korea are required to participate in a National Pension Scheme which is a defined contribution plan operated by the local municipal government. The contributions are charged to profit or loss as they become payable in accordance with the rules of the National Pension Scheme.

United Kingdom

The Group participates in a defined contribution scheme in the United Kingdom. The Group pays contributions to workplace pension schemes on a mandatory, contractual or voluntary basis, calculated as a percentage of employees' basic salaries. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) *Employee benefits (Continued)*

- (iii) Post employment benefits

Hong Kong

The Group has a defined benefit plan for long service payment (“LSP”) under the Hong Kong Employment Ordinance.

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, and the effect of any asset ceiling (excluding interest), are recognised immediately in other comprehensive income. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

South Korea

Under the Employee Retirement Benefit Security Act (formerly Guarantee of Workers’ Retirement Benefits Act) in South Korea, employees with at least one year of continuous service are entitled to severance pay equal to 30 days of their average wage for each year of service. Average wage is calculated based on total wages paid in the three months preceding termination, including qualifying bonuses and variable wages (with annual bonuses typically prorated). Employees with less than one year of continuous service are excluded.

United Kingdom

Under Employment Rights Act 1996 in the United Kingdom, an employee is entitled to statutory redundancy pay if the employee has been employed for 2 years or more. Redundancy pay is calculated in accordance to age of the employee and the length of service which is capped at 20 years.

- (iv) 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)

(p) Share-based payments

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

Equity-settled share-based payments 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.

(q) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) 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. 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) **Taxation (Continued)**

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.

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.

(s) **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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) *Impairment of non-financial assets (Continued)*

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.

(t) *Impairment of financial assets*

The Group recognises a loss allowance for ECL on trade and other receivables, pledged bank fixed deposits and bank and cash balances. 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. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) *Impairment of financial 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)

(t) **Impairment of financial 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) *Impairment of financial 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)

(t) **Impairment of financial 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.

(u) **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.

(v) **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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 management considers the relevant facts and circumstances that there is no economic incentive for the Group to exercise the extension options and therefore the Group is not reasonably certain to exercise the option upon entering the lease agreements. Refer to Note 19 for further information.

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) *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 2025, the carrying amount of inventories was US\$69,135,000 (net of allowance for inventories of US\$798,000) (2024: US\$55,097,000 (net of allowance for inventories of US\$955,000)).

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 2025 was US\$5,079,000 (2024: US\$1,370,000).

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 principally denominated in currencies other than the functional currency of the Group entities such as Hong Kong Dollars ("HK\$"), Canadian dollar ("CAD"), Mexican Peso ("MXN") 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 for the year in response to reasonably possible changes in the foreign exchange rates of CAD, MXN 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency risk (Continued)

	Increase/ (decrease) in foreign exchange	Effect on profit for the year US\$'000
At 31 December 2025		
CAD	4%/(4%)	25/(25)
MXN	12%/(12%)	85/(85)
EUR	10%/(10%)	108/(108)
At 31 December 2024		
CAD	(7%)/7%	(48)/48
MXN	(15%)/15%	(44)/44
EUR	(4%)/4%	(16)/16

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 2025 and 2024. 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 Group is exposed to equity price risk through its investment in listed equity security. The management manages this exposure by investing solely on equity security operating in logistic sector 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 (2024: 10% higher/lower), profit after tax for the year ended 31 December 2025 would increase/decrease by US\$48,000 (2024: increase/decrease by US\$49,000). This is solely due to the change in fair value of the share price.

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 and other receivables) and from its financing activities including deposits with banks and financial institutions. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

No significant credit risk has been identified for the E-commerce business, as customers are generally required to pay in advance through third-party payment platforms before the delivery of goods. These platforms typically settle the amounts received, net of handling charges, within one month after the trade date. The receivables from third-party payment platforms represent payments that are pending settlement. Management has implemented a credit policy and continuously monitors exposures to credit risks. Given that these receivables are from reputable third-party payment platforms with no history of defaults, the directors consider the credit risk to be minimal, and no impairment has been recognised for these 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 or locate 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 15.5% (2024: 8.2%) of the trade receivables at the end of each reporting period. 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.

Individual credit evaluations are performed on all wholesale and logistic 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 for customers are due within 180 days from the date of invoice. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, 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 2025 and 2024 is less than 1%. As at 31 December 2025, loss allowance accounted for in respect of trade receivables during the year is US\$1,000 (2024: US\$1,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 non-derivative 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	Over 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
At 31 December 2025						
Trade and other payables and accruals	26,334	-	-	-	26,334	26,334
Lease liabilities	9,545	8,603	11,615	2	29,765	27,055
Bank borrowings	8,917	-	-	-	8,917	7,566
At 31 December 2024						
Trade and other payables and accruals	22,665	-	-	-	22,665	22,665
Lease liabilities	9,256	6,462	9,382	-	25,100	22,804

(e) Interest rate risk

The Group's exposure to interest rate risk mainly arises from its bank deposits and borrowings. These deposits and borrowings 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) *Categories of financial instruments at 31 December*

	2025 US\$'000	2024 US\$'000
Financial assets:		
Financial assets at FVTPL		
– Investment in a life insurance policy	3,565	908
– An equity security listed in Hong Kong	477	489
Financial assets measured at amortised cost	42,846	30,801
Financial liabilities:		
Financial liabilities at amortised cost	26,334	22,665
Lease liabilities	27,055	22,804

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

Disclosures of level in fair value hierarchy at 31 December

Description	Fair value measurements using:			Total 2025 US\$'000
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	
Recurring fair value measurements:				
Financial assets at FVTPL				
Investment in a life insurance policy	–	3,565	–	3,565
An equity security listed in Hong Kong	477	–	–	477
	477	3,565	–	4,042

Description	Fair value measurements using:			Total 2024 US\$'000
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	
Recurring fair value measurements:				
Financial assets at FVTPL				
Investment in a life insurance policy	–	908	–	908
An equity security listed in Hong Kong	489	–	–	489
	489	908	–	1,397

The fair value of investment in life insurance policy is determined by reference to the Cash Surrender Value as defined in Note 20 to the consolidated financial statements provided by the insurance company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

8. REVENUE

Disaggregation of revenue from contracts with customers by major products or service lines for the year is as follows:

	2025 US\$'000	2024 US\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
Sales of merchandise	452,363	309,589
Shipping revenue	45,854	35,709
Marketing income	2,914 [#]	–
Logistic income	412	483
Consignment sales	1	1
	501,544	345,782

[#] In the year ended 31 December 2024, marketing income of US\$1,349,000 was included in “Other income and other gains and losses”. In the year ended 31 December 2025, marketing income is presented under “Revenue from contracts with customers” as it arises from the Group’s ordinary activities. No reclassification has been made to the comparative figures as the amount is considered immaterial.

The related costs are included in “Cost of sales” in 2025 and were included in “Selling expenses” in 2024.

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following business segments:

	2025 US\$'000	2024 US\$'000
Business-to-Consumer (“B2C”)	349,327	267,629
Business-to-Business (“B2B”)	148,891	77,670
Unallocated	3,326	483
	501,544	345,782

	2025 US\$'000	2024 US\$'000
Timing of revenue recognition		
Products transferred at a point in time	455,278	309,590
Services transferred over time	46,266	36,192
	501,544	345,782

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. OTHER INCOME AND OTHER GAINS AND LOSSES

	2025 US\$'000	2024 US\$'000
Cash rebates	17	27
Dividend income	2	4
Fair value loss on financial assets at FVTPL	(894)	(335)
Interest income from bank deposits	132	238
Marketing income	–	1,349
Property, plant and equipment written off	(15)	–*
Reversal of provision on reinstatement costs	1	8
Gain on remeasurement upon modification	12	–
Sundry income	38	5
	(707)	1,296

* Less than US\$1,000

10. SEGMENT INFORMATION

The Group determines its operating segments based on the information reported to the Chief Executive Officer of the Group, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performance. For the year ended 31 December 2024, the CODM organised the Group’s results based on product categories and the differences in the nature of goods and services delivered. Under this structure, the focus was primarily on “Fashion & Lifestyle and Beauty Products” and “Entertainment Products”.

During the year ended 31 December 2025, the Group reorganised its internal reporting structure to better align with its latest business strategy and the distinct operational characteristics of its retail and wholesale channels. Following the increasing scale of the wholesale business and the strategic shift toward channel-based management, the CODM now monitors financial performance and allocates resources based on the B2C and B2B models.

The Group’s reportable segments under the new structure are as follows:

- B2C
 - Retail distribution of fashion wears, lifestyle products, beauty products and entertainment products directly to individual end consumers. These operations are primarily conducted through the Group’s proprietary e-commerce platforms, including YesStyle and YesAsia, and other B2C online channels.
- B2B
 - Wholesale distribution of beauty products to corporate customers, distributors and resellers. The business is primarily conducted through the Group’s proprietary e-commerce platform, AsianBeautyWholesale, and local sales teams in South Korea and Hong Kong.

This reclassification provides more relevant information regarding the Group’s strategic focus and the economic characteristics of its customer base. In accordance with HKFRS 8, the segment information for the comparative period has been restated to conform to the current year’s presentation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. SEGMENT INFORMATION (CONTINUED)

The Group's other operating segments represent revenue from marketing income and 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, finance costs and share of loss of an associate that are not directly attributable to segments and income tax expense.

Information about operating segment results

	B2C US\$'000	B2B US\$'000	Unallocated US\$'000	Total US\$'000
Year ended 31 December 2025				
Revenue from external customers	349,327	148,891	3,326	501,544
Segment results	30,030	11,808	(18,698)	23,140
Depreciation of property, plant and equipment	1,964	386	71	2,421
Depreciation of right-of-use assets	6,338	2,220	193	8,751
Property, plant and equipment written off	–	–	15	15
Share of loss of an associate	–	–	55	55
Reversal of write down of inventories, net	149	8	–	157
Other material items of income and expense:				
Cost of inventories sold	141,678	112,217	–	253,895
Staff costs, including directors' emoluments	21,868	4,966	9,359	36,193
Year ended 31 December 2024				
Revenue from external customers	267,629	77,670	483	345,782
Segment results	24,149	5,952	(11,059)	19,042
Depreciation of property, plant and equipment	1,411	1	86	1,498
Depreciation of right-of-use assets	4,522	853	231	5,606
Write down of inventories, net	161	8	–	169
Other material items of income and expense:				
Cost of inventories sold	112,243	53,398	–	165,641
Staff costs, including directors' emoluments	21,232	1,820	5,251	28,303

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. SEGMENT INFORMATION (CONTINUED)

Reconciliations of segment results

	2025 US\$'000	2024 US\$'000
Revenue		
Total revenue of reportable segments	501,544	345,782
Segment results		
Total segment results of reportable segments	41,838	30,101
Share of loss of an associate	(55)	–
Unallocated amounts:		
Unallocated income	407	314
Unallocated corporate expenses	(19,269)	(11,457)
Non-reportable segments	219	84
Profit for the year	23,140	19,042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. SEGMENT INFORMATION (CONTINUED)

Geographical information

An analysis of the Group's revenue from external customers by geographic location, determined based on the customers' port of destination or their location, and information on the Group's non-current assets by location of the assets, are detailed below:

Revenue

	2025 US\$'000	2024 US\$'000
United States	102,925	116,465
European Union countries ("EU countries")		
France	44,331	34,299
Germany	27,057	20,694
Spain	16,669	6,057
Italy	15,213	8,306
Netherlands	8,432	6,626
Poland	7,988	3,956
Belgium	5,008	3,748
Other EU countries (Note 1)	32,011	20,671
South Korea	37,650	1,162
Hong Kong	35,146	22,006
Canada	30,811	20,704
United Kingdom	29,769	24,166
Australia	14,424	11,033
Mexico	17,776	7,457
United Arab Emirates	13,327	8,597
Others (Note 2)	63,007	29,835
Consolidated total	501,544	345,782

Note 1: Other EU countries include sales to EU countries that individually contributed less than 1.0% (2024: 1.0%) of the total revenue of the Group for the years ended 31 December 2025 and 2024.

Note 2: Others include sales to countries that individually contributed less than 2.0% (2024: 2.0%) of the total revenue of the Group for the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. SEGMENT INFORMATION (CONTINUED)

Revenue (Continued)

An analysis of the Group's non-current assets by their physical geographical location is as follows:

	2025 US\$'000	2024 US\$'000
Hong Kong	34,139	28,916
Outside Hong Kong	5,272	753
	39,411	29,669

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 2025 and 2024.

11. FINANCE COSTS

	2025 US\$'000	2024 US\$'000
Interest expense on lease liabilities	1,299	1,091
Interest expense on provision for reinstatement costs	119	90
Interest expense on bank borrowings	407	119
	1,825	1,300

12. INCOME TAX EXPENSE

	2025 US\$'000	2024 US\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	4,900	2,980
Over-provision in current year, net	28	145
(Over)/under-provision in prior years	(119)	8
	4,809	3,133
Current tax – Overseas corporate income tax		
Provision for the year	1,471	1,344
(Under)/over-provision in current year, net	(25)	9
Over-provision in prior years, net	(76)	(28)
	1,370	1,325
Income tax expense	6,179	4,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INCOME TAX EXPENSE (CONTINUED)

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%.

The Company's subsidiaries incorporated in South Korea are 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% (2024: 9.9% to 26.4%) on the estimated assessable profit for the year. The progressive tax rates were 9.9% to 20.9% (2024: 9.9% to 20.9%) 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%. UK Corporate Income Tax is calculated at 19% on the estimated assessable profit for both years.

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 and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2025 US\$'000	2024 US\$'000
Profit before tax	29,319	23,500
Tax at the Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	4,838	3,878
Tax effect of income that is not taxable	(16)	(44)
Tax effect of expenses that are not deductible	1,021	185
Tax effect of share of loss of an associate	9	–
Tax effect of temporary differences not recognised	(499)	185
Tax effect of tax losses not recognised	814	27
Tax effect of utilisation of tax losses not previously recognised	(65)	(157)
Effect of different tax rates of subsidiaries	290	271
Tax effect two-tiered Profits Tax regime	(21)	(21)
Over-provision in prior years, net	(195)	(20)
Over-provision in current year, net	3	154
Income tax expense	6,179	4,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. PROFIT FOR THE YEAR

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

	2025 US\$'000	2024 US\$'000
Auditor's remuneration		
– Audit services	236	194
– Non-audit services	17	16
	253	210
Cost of inventories sold	253,895	165,641
Depreciation		
– Property, plant and equipment	2,421	1,498
– Right-of-use assets	8,751	5,606
	11,172	7,104
Property, plant and equipment written off	15	–
Foreign exchange losses, net	4,884	2,541
Expenses relating to short-term lease		
– leased properties	474	135
– leased equipment	1	5
	475	140
Write down of inventories (<i>Note</i>)	400	485
Reversal of write down of inventories (<i>Note</i>)	(557)	(316)
(Reversal of write down)/write down of inventories, net (included in cost of inventories sold)	(157)	169

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)

	2025 US\$'000	2024 US\$'000
Directors' fee	156	156
Salaries and allowances	27,233	21,434
Discretionary bonus	1,985	4,653
Equity-settled share-based payments	4,218	223
Retirement benefits for defined contribution plans	1,232	956
Provision for employee benefits, net (<i>Note</i>)	349	280
Other employee benefits expenses	1,020	601
	36,193	28,303

Note: Provision for employee benefits includes unused annual leave payment, estimated severance payment and estimated LSP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

(a) Retirement benefits for defined contribution plans

During the years ended 31 December 2025 and 2024, the Group had no forfeited retirement benefits for defined contribution plans which may be used by the Group to reduce the existing level of contributions. There were also immaterial forfeited retirement benefits for defined contribution plans available at 31 December 2025 and 2024 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 (2024: one) director who emolument is reflected in the analysis presented in Note 15(a). The emoluments of the remaining four (2024: four) individuals are set out below:

	2025 US\$'000	2024 US\$'000
Salaries and allowances	870	653
Discretionary bonus	66	284
Equity-settled share-based payments (<i>Note</i>)	3,583	13
Retirement benefits scheme contributions	78	99
	4,597	1,049

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

(b) Five highest paid individuals (Continued)

The emoluments fell within the following band:

	Number of individuals	
	2025	2024
HK\$1,500,001 to HK\$2,000,000 (equivalent to US\$193,501 to US\$258,000)	1	3
HK\$2,000,001 to HK\$2,500,000 (equivalent to US\$258,001 to US\$322,500)	1	–
HK\$2,500,001 to HK\$3,000,000 (equivalent to US\$322,501 to US\$387,000)	1	–
HK\$3,000,001 to HK\$3,500,000 (equivalent to US\$387,001 to US\$451,600)	–	1
Over HK\$3,500,000 (equivalent to over US\$451,601)	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:

	2025 US\$'000	2024 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
Salaries and allowances	607	571
Discretionary bonus	60	547
Equity-settled share-based payments (<i>Note</i>)	59	9
Retirement benefits for defined contribution plans	6	6
Other	72	–
	960	1,289

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 benefits for defined contribution plans US\$'000	Other US\$'000	Total US\$'000
Year ended 31 December 2025							
<i>Executive directors</i>							
Mr. Lau Kwok Chu (CEO)	-	310	35	1	2	-	348
Ms. Chu Lai King (Chairperson)	-	139	12	1	2	-	154
Mr. Chu Kin Hang	-	158	13	1	2	-	174
<i>Non-executive directors</i>							
Mr. Hui Yat Yan Henry ^(#)	26	-	-	51	-	72	149
Mr. Lui Michael Pak-Shing	26	-	-	1	-	-	27
Mr. Poon Chi Ho	26	-	-	1	-	-	27
<i>Independent non-executive directors</i>							
Mr. Chan Yu Cheong	26	-	-	1	-	-	27
Mr. Sin Pak Cheong Philip Charles	26	-	-	1	-	-	27
Mr. Wong Chee Chung	26	-	-	1	-	-	27
	156	607	60	59	6	72	960
Year ended 31 December 2024							
<i>Executive directors</i>							
Mr. Lau Kwok Chu (CEO)	-	287	505	1	2	-	795
Ms. Chu Lai King (Chairperson)	-	135	20	1	2	-	158
Mr. Chu Kin Hang	-	149	22	1	2	-	174
<i>Non-executive directors</i>							
Mr. Hui Yat Yan Henry ^(#)	26	-	-	1	-	-	27
Mr. Lui Michael Pak-Shing	26	-	-	1	-	-	27
Mr. Poon Chi Ho	26	-	-	1	-	-	27
<i>Independent non-executive directors</i>							
Mr. Chan Yu Cheong	26	-	-	1	-	-	27
Mr. Sin Pak Cheong Philip Charles	26	-	-	1	-	-	27
Mr. Wong Chee Chung	26	-	-	1	-	-	27
	156	571	547	9	6	-	1,289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 2025 (2024: Nil).

During the years ended 31 December 2025 and 2024, 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.

Subsequent to the end of the reporting period, with effect from 1 April 2026, Mr. Hui Yat Yan Henry was re-designated from Non-executive Director to Executive Director of the Company.

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

Saved as disclosed in Note 38 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 2025 and 2024.

(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 2025	Granted during the year	Exercised during the year	Outstanding at 31 December 2025
Mr. Lau Kwok Chu	10,000	-	-	10,000
Ms. Chu Lai King	10,000	-	-	10,000
Mr. Chu Kin Hang	10,000	-	-	10,000
Mr. Hui Yat Yan Henry	10,000	50,000	-	60,000
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	6,250	-	-	6,250
Mr. Wong Chee Chung	10,000	-	(5,000)	5,000
	86,250	50,000	(5,000)	131,250

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 2024	Exercised during the year	Outstanding at 31 December 2024
Mr. Lau Kwok Chu	270,000	(260,000)	10,000
Ms. Chu Lai King	70,000	(60,000)	10,000
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	(3,750)	6,250
Mr. Wong Chee Chung	10,000	–	10,000
	410,000	(323,750)	86,250

Details of the share option schemes are set out in Note 33.

(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 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. DIVIDEND

	2025 US\$'000	2024 US\$'000
Payment of final dividend of US\$0.0097 (equivalent to HK\$0.075) in respect of the financial year ended 31 December 2024 (2024: US\$0.0064 (equivalent to HK\$0.05) in respect of the financial year ended 31 December 2023) per ordinary share	3,988	2,579
	3,988	2,579

A final dividend of HK 10.0 cents per share for the year ended 31 December 2025 was recommended by the Board at a Board meeting held on 27 March 2026. 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 consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2026 after the approval at the forthcoming annual general meeting.

17. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	2025 US\$'000	2024 US\$'000
Earnings for the purpose of calculating basic and diluted earnings per share	23,215	19,055
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	413,202	402,054
Effect of dilutive potential ordinary shares arising from share options issued by the Company	8,964	12,491
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	422,166	414,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 2024	3,441	1,016	5,648	139	10,244
Additions	68	106	149	–	323
Transfer from right-of-use assets (Note)	–	–	67	–	67
Write-off	(8)	(5)	(23)	–	(36)
Exchange differences	(2)	(1)	(7)	–	(10)
<hr/>					
At 31 December 2024 and 1 January 2025	3,499	1,116	5,834	139	10,588
Additions	4,362	92	5,035	95	9,584
Write-off	(166)	–	(36)	–	(202)
Exchange differences	7	–	(5)	–	2
<hr/>					
At 31 December 2025	7,702	1,208	10,828	234	19,972
<hr/>					
Accumulated depreciation					
At 1 January 2024	2,115	664	3,086	59	5,924
Transfer from right-of-use assets (Note)	–	–	67	–	67
Charge for the year	565	186	719	28	1,498
Write-off	(8)	(5)	(23)	–	(36)
Exchange differences	(2)	–	(6)	–	(8)
<hr/>					
At 31 December 2024 and 1 January 2025	2,670	845	3,843	87	7,445
Charge for the year	1,119	166	1,099	37	2,421
Write-off	(166)	–	(21)	–	(187)
Exchange differences	5	(3)	(3)	–	(1)
<hr/>					
At 31 December 2025	3,628	1,008	4,918	124	9,678
<hr/>					
Carrying amount					
At 31 December 2025	4,074	200	5,910	110	10,294
<hr/>					
At 31 December 2024	829	271	1,991	52	3,143
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Note: The Group obtains ownership of the underlying leased assets at the end of the lease term, the cost of the relevant property, plant and equipment and the related accumulated depreciation are transferred from right-of-use assets upon exercising purchase options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. RIGHT-OF-USE ASSETS

	Leased properties US\$'000	Leased equipment US\$'000	Total US\$'000
At 1 January 2024	10,458	137	10,595
Additions	16,683	29	16,712
Depreciation	(5,533)	(73)	(5,606)
Exchange differences	(31)	(1)	(32)
At 31 December 2024 and 1 January 2025	21,577	92	21,669
Additions	4,131	205	4,336
Remeasurement upon modification (Note (c))	8,961	–	8,961
Depreciation	(8,644)	(107)	(8,751)
Exchange differences	(25)	(1)	(26)
At 31 December 2025	26,000	189	26,189

Note:

- (a) Lease liabilities of US\$27,055,000 (2024: US\$22,804,000) are recognised with related right-of-use assets of US\$25,634,000 (2024: US\$20,900,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2025 US\$'000	2024 US\$'000
Depreciation expenses on right-of-use assets	8,751	5,606
Interest expense on lease liabilities (included in finance costs)	1,299	1,091
Expenses relating to short-term lease (included in administrative expenses)	475	140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. RIGHT-OF-USE ASSETS (CONTINUED)

Note: (Continued)

- (b) Details of total cash outflow for leases is set out in Note 34(b).
- (c) During the year ended 31 December 2025, the Group exercised the renewal option under the existing lease of a warehouse in Hong Kong, extending the lease term for a further three years to 2029. Upon exercising the option, the lease was modified by extending the contractual lease term and revising the lease consideration. As a result, the corresponding right-of-use asset, lease liabilities and provision for reinstatement costs were remeasured and adjusted, resulting in a gain on lease remeasurement upon modification of US\$12,000.
- (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 6 years (2024: 2 years to 5 years), but may have extension and termination options as described below. Certain leases of equipment were accounted for as finance leases during the reporting period and carried interest ranging from 1.96% to 6.12% (2024: from 1.96% to 6.12%). 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)	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Warehouses – Hong Kong	22,087	19,849	33,076	32,445

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 2025, there has been no such triggering event.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. FINANCIAL ASSETS AT FVTPL

	2025 US\$'000	2024 US\$'000
Investment in life insurance policy (Note (i))	3,565	908
An equity security listed in Hong Kong (Note (ii))	477	489
	4,042	1,397

Note:

- (i) In August 2019, the Group entered into a life insurance policy with an insurance company to insure Mr. Lau Kwok Chu ("Mr. Lau"), a director of the Company. YesStyle Hong Kong Limited ("YSHK") was the policyholder and beneficiary. The policy had a notional insured amount of approximately US\$2,462,120 and an initial premium payment of US\$860,000. The policy was surrendered in January 2025 and the surrender proceeds of US\$908,000 were fully received during the year ended 31 December 2025.

In January 2025, the Group entered into a new life insurance policy with a bank to insure Mr. Lau. YSHK is the policyholder and beneficiary under the policy. The policy has a total insured sum of US\$20,000,000 and required a one-off premium payment of US\$4,447,000 at inception. An interest rate of 5.25% per annum applies for the first policy year, followed by a discretionary interest rate with a minimum guaranteed rate of 2.00% per annum for subsequent years until termination.

The policy is surrenderable at any time upon written request by the policyholder. The cash surrender value is determined based on the premium paid plus accumulated interest earned, less accumulated insurance charges, policy expenses and any applicable surrender charges if withdrawal occurs within the first to eighteenth policy years.

As at 31 December 2025, the life insurance policy was pledged as security for bank borrowings granted to the Group, which were classified as current liabilities as the bank has the contractual right to demand repayment within twelve months after the reporting period (see Note 28). Given that the policy may be realised to settle the related current borrowings if required, the directors consider that the cash surrender value is available for settlement of current obligations. Accordingly, the investment in life insurance policy has been classified as a current asset as at 31 December 2025.

The carrying amount of the policy represents its cash surrender value and approximates its fair value as at 31 December 2025. Details of the fair value measurement are set out in Note 7 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. FINANCIAL ASSETS AT FVTPL (CONTINUED)

Note: (Continued)

- (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 2025.

21. TRADE AND OTHER RECEIVABLES

	2025 US\$'000	2024 US\$'000
Trade receivables from third-party payment platforms	2,298	1,624
Trade receivables from customers	12,674	935
	14,972	2,559
Less: Impairment losses	(1)	(1)
	14,971	2,558
Other receivables		
Receivables from third-party payment platforms	2,695	4,936
Export tax refundable	2,596	2,323
Others	48	154
	5,339	7,413
Trade and other receivables	20,310	9,971

Before accepting new wholesales or logistic customers, the Group assesses the potential customers' credit quality and defines credit limits for each individual customer. Recoverability of the existing customers is reviewed by the management of the Group regularly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group's turnover primarily comprises E-commerce sales, offline wholesale of products, and income from logistics and ancillary services. E-commerce sales are typically conducted without credit terms, while credit terms of up to 180 days are offered for offline wholesale and logistics and ancillary services.

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:

	2025 US\$'000	2024 US\$'000
0 to 30 days	8,808	2,112
31 to 60 days	2,499	171
61 to 90 days	1,026	215
91 to 120 days	2,042	19
121 to 180 days	517	41
Over 180 days	79	–
	14,971	2,558

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

	2025 US\$'000	2024 US\$'000
South Korean Won ("KRW")	11,476	2,289
EUR	2,904	2,255
US\$	3,008	2,000
MXN	687	283
British Pound Sterling ("GBP")	372	595
CAD	353	652
HK\$	299	273
JPY	256	264
Australian dollar	246	232
Others	710	1,129
	20,311	9,972
Less: Impairment losses	(1)	(1)
	20,310	9,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of US\$727,000 (2024: US\$507,000) which are past due. Out of the past due balance, an aggregate amount of US\$100,000 (2024: US\$4,000) has been past due over 90 days and is not considered as default as there has not been a significant change in the credit standing of the debtors. The Group did not hold any collateral over these receivables.

22. PREPAYMENTS AND DEPOSITS

	2025 US\$'000	2024 US\$'000
Prepayments		
Prepayment to suppliers	9,264	4,174
Prepaid rental	14	84
Prepaid selling expenses	535	327
Prepaid administrative expenses	967	838
	10,780	5,423
Deposits		
Deposit paid for property, plant and equipment	–	2,933
Deposit paid for an investment in an associate	–	100
Rental deposits	2,981	1,987
Trade deposits	298	288
Utilities deposits	81	95
	3,360	5,403
	14,140	10,826
Analysed as:		
Current assets	11,657	5,969
Non-current assets	2,483	4,857
	14,140	10,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. BANK FIXED DEPOSITS AND BANK AND CASH BALANCES

(a) Bank fixed deposits

	Note	2025 US\$'000	2024 US\$'000
Pledged bank fixed deposits	(i)	3,234	2,931
Non-pledged bank fixed deposits	(ii)	152	7,149
		3,386	10,080

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

	2025 %	2024 %
Pledged bank fixed deposits	2.92	3.37
Non-pledged bank fixed deposits	2.20	4.48

The Group's bank fixed deposits bear interest of fixed interest rates 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 bank borrowings and letters of guarantee for a supplier and services providers granted to the Group.
- (ii) As at 31 December 2025, the Group's non-pledged bank fixed deposits with original maturity beyond three months were US\$83,000 (2024: US\$81,000). These fixed deposits are denominated in KRW.

(b) Bank and cash balances

As at 31 December 2025, the bank and cash balances of the Group's subsidiary in the PRC denominated in Renminbi ("RMB") amounted to US\$47,000 (2024: US\$15,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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:

	2025 US\$'000	2024 US\$'000
US\$	13,255	12,003
HK\$	3,233	4,432
KRW	1,199	1,115
JPY	280	389
GBP	269	102
EUR	430	230
Others	510	189
	19,176	18,460

24. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 US\$'000	2024 US\$'000
Trade payables	13,574	9,930
Other payables		
Indirect tax payables	4,900	4,247
Dividend payables	756	504
Others	11	2
	5,667	4,753
Accruals		
Accrued staff costs	3,227	4,958
Accrued selling expenses	2,867	2,269
Accrued administrative expenses	999	755
	7,093	7,982
	26,334	22,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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:

	2025 US\$'000	2024 US\$'000
0 to 30 days	12,240	9,597
31 to 60 days	1,274	328
61 to 90 days	40	1
Over 90 days	20	4
	13,574	9,930

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

	2025 US\$'000	2024 US\$'000
US\$	1,222	602
HK\$	10,013	8,285
KRW	2,188	816
JPY	41	41
RMB	58	37
EUR	40	138
Others	12	11
	13,574	9,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. CONTRACT LIABILITIES

	Note	2025 US\$'000	2024 US\$'000
Sales of goods	(i)	11,763	12,338
Deferred revenue for customer loyalty programme	(ii)	2,364	1,914
Store credits	(iii)	2,355	2,010
		16,482	16,262

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 2025, store credits granted to customers of US\$451,000 (2024: US\$362,000) 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\$451,000 for the year ended 31 December 2025 (2024: US\$362,000) arising from the written back of the expired and unused store credits.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. PROVISIONS

	Sales return <i>US\$'000</i> <i>(Note (i))</i>	Employee benefits <i>US\$'000</i> <i>(Note (ii))</i>	Reinstatement costs <i>US\$'000</i> <i>(Note (iii))</i>	Total <i>US\$'000</i>
At 1 January 2024	154	566	752	1,472
(Unused provisions reversed)/ additional provisions	(13)	280	597	864
Provisions used	–	(22)	(3)	(25)
Interest expense	–	–*	90	90
Remeasurements recognised in other comprehensive income	–	(10)	–	(10)
Exchange differences	–	(56)	(4)	(60)
At 31 December 2024 and 1 January 2025	141	758	1,432	2,331
(Unused provisions reversed)/ additional provisions	(21)	349	34	362
Provisions used	–	–	(19)	(19)
Interest expense	–	–	119	119
Remeasurement upon lease modification	–	–	(12)	(12)
Exchange differences	–	(4)	(1)	(5)
At 31 December 2025	120	1,103	1,553	2,776
			2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Analysed as:				
Current liabilities			576	392
Non-current liabilities			2,200	1,939
			2,776	2,331

Note:

- (i) The E-commerce products sold to customers are returnable to the Group within 14 days from delivery to the customers. Accumulated historical experience is used to estimate and provide for the sales return, using the expected value method. A provision of sales return is recognised for the expected sales return payable to customers in relation to the sales made.
- (ii) The provision for employee benefits comprises unused annual leave, estimated long service and severance payments for employees.
- (iii) The provision for reinstatement cost represents the Group's contractual obligation to restore certain office and warehouse premises to their original condition upon the expiry of the tenancy agreements. The provision is expected to be utilised upon the expiry of the tenancy agreements.

* Less than US\$1,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. LEASE LIABILITIES

	2025 US\$'000	2024 US\$'000
Leased properties	26,862	22,707
Office and warehouse equipment	193	97
	27,055	22,804

	Minimum lease payments		Present value of minimum lease payments	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Within one year	9,545	9,256	8,178	8,146
More than one year, but not exceeding two years	8,603	6,462	7,734	5,866
More than two years, but not more than five years	11,615	9,382	11,141	8,792
Over five years	2	–	2	–
	29,765	25,100	27,055	22,804
Less: Future finance charges	(2,710)	(2,296)	N/A	N/A
Present value of lease obligations	27,055	22,804	27,055	22,804
Less: Amount due for settlement within 12 months (shown under current liabilities)			(8,178)	(8,146)
Amount due for settlement after 12 months			18,877	14,658

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. LEASE LIABILITIES (CONTINUED)

As at 31 December 2025, the Group has leased certain of its office and warehouse equipment under finance leases. The average lease term is 5 years.

The incremental borrowing rates applied to lease liabilities range from 1.96% to 7.36% (2024: 1.96% to 17.81%).

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

	2025 US\$'000	2024 US\$'000
HK\$	23,663	22,422
KRW	3,346	302
JPY	46	80
	27,055	22,804

28. BANK BORROWINGS

	2025 US\$'000	2024 US\$'000
Secured bank loans	7,566	–
	7,566	–

Note:

- (i) The analysis of the repayment schedule of borrowings is as follows:

	2025 US\$'000	2024 US\$'000
Within one year	4,804	–
More than one year, but not exceeding two years	155	–
More than two years, but not more than five years	464	–
More than five years	2,143	–
	7,566	–
Carrying amount of bank loans for repayments after one year which contain a repayment on demand clause (shown under current liabilities) (Note (v))	2,762	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

28. BANK BORROWINGS (CONTINUED)

Note: (Continued)

- (ii) As at 31 December 2025, the Group's bank borrowings bear interest at floating rates based on the Hong Kong Interbank Offered Rate plus 2% per annum or the Secured Overnight Financing Rate plus 0.6% per annum. Accordingly, the Group is exposed to cash flow interest rate risk.
- (iii) The bank borrowings are secured by charges over pledged bank deposits and the investment in life insurance policy as disclosed in Note 20 and Note 23(a) to the consolidated financial statements.
- (iv) The carrying amounts of the Group's bank borrowings are denominated in HKD and USD.
- (v) The banking facilities contain a repayment-on-demand clause which provides the lending bank with an unconditional right to demand repayment at any time at its discretion. As at 31 December 2025, the loans included an amount of approximately US\$2,762,000 which, in accordance with the repayment schedule set out in the loan agreements, is contractually due for repayment more than one year after the reporting period. Notwithstanding the contractual repayment schedule, this portion of the loan is repayable on demand under the facility terms and is secured by, and linked to, the life insurance policy, which may be surrendered by the Group at any time upon written request subject to applicable surrender charges.

Accordingly, this portion of the loan has been classified as a current liability as at 31 December 2025 in accordance with Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause.

29. DEFERRED TAX ASSETS

As at 31 December 2025 and 2024, the Group has unutilised tax losses of US\$6,355,000 and US\$1,717,000 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 2025 and 2024, the Group's tax losses will expire in the following years:

	2025 US\$'000	2024 US\$'000
On 31 December 2025	–	98
On 31 December 2026	120	128
On 31 December 2027	119	119
On 31 December 2030	50	50
On 31 December 2031	320	320
On 31 December 2032	429	429
On 31 December 2033	27	27
On 31 December 2034	2	2
	1,067	1,173
No expiry date	5,288	544
	6,355	1,717

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. SHARE CAPITAL

	Note	Number of shares	Amount US\$'000
Issued and fully paid:			
At 1 January 2024		397,123,910	20,640
Issue of shares under share option schemes		12,588,556	3,542
At 31 December 2024 and 1 January 2025		409,712,466	24,182
Issue of shares under share option schemes	(i)	3,850,249	1,168
Placement of new shares	(ii)	4,100,000	2,936
At 31 December 2025		417,662,715	28,286

Note:

- (i) During the year ended 31 December 2025, 3,850,249 (2024: 12,588,556) ordinary shares of the Company were issued under share option schemes. The net proceeds of US\$662,000 (2024: US\$2,026,000) were credited to share capital with the average market price of approximately US\$0.63 (2024: US\$0.55) per share at the respective exercise days.
- (ii) On 26 August 2025, the Company entered into a placing agreement to issue 4,100,000 placing shares at a price of HK\$5.55 per share and completed the placement on 11 September 2025. The net proceeds from this placement were approximately US\$2,936,000.

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 2025 was 43.2% (2024: 43.0%). The increase in the gearing ratio of the Group is primarily due to the increase in lease liabilities and the increase in equity as a result of the profit generated for the year ended 31 December 2025.

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 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	At 31 December	
		2025 US\$'000	2024 US\$'000
Non-current assets			
Property, plant and equipment		1,275	2,033
Investments in subsidiaries	36	393	391
Financial assets at FVTPL		477	489
Total non-current assets		2,145	2,913
Current assets			
Prepayments and other receivables		173	237
Amounts due from subsidiaries	36	35,468	27,549
Bank and cash balances		663	418
Current tax asset		–	5
Total current assets		36,304	28,209
Current liabilities			
Other payables and accruals		2,482	3,578
Amounts due to subsidiaries		27	1,785
Current tax liabilities		731	–
Provisions		128	104
Total current liabilities		3,368	5,467
Net current assets		32,936	22,742
Total assets less current liabilities		35,081	25,655
Non-current liabilities			
Provisions		29	29
Net assets		35,052	25,626
Capital and reserves			
Share capital	30	28,286	24,182
Reserves	32(b)	6,766	1,444
Total equity		35,052	25,626

Approved by the Board of Directors on 27 March 2026 and signed on its behalf by:

Mr. LAU Kwok Chu

Ms. CHU Lai King

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. 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 payment reserve US\$'000	Retained earnings US\$'000	Total US\$'000
At 1 January 2024	2,740	3,297	6,037
Loss for the year	–	(726)	(726)
Other comprehensive income	–	5	5
Issue of shares under share option schemes (Note 30)	(1,516)	–	(1,516)
Dividend paid (Note 16)	–	(2,579)	(2,579)
Recognition of share-based payments (Note 33)	223	–	223
Forfeiture of share options (Note 33)	(77)	77	–
At 31 December 2024 and 1 January 2025	1,370	74	1,444
Profit for the year	–	5,598	5,598
Other comprehensive income	–	–	–
Issue of shares under share option schemes (Note 30)	(506)	–	(506)
Dividend paid (Note 16)	–	(3,988)	(3,988)
Recognition of share-based payments (Note 33)	4,218	–	4,218
Forfeiture of share options (Note 33)	(3)	3	–
At 31 December 2025	5,079	1,687	6,766

(c) Nature and purpose of reserves

(i) Share-based payment reserve

The share-based payment 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(p) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. 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.

33. SHARE-BASED PAYMENTS

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 2025 and 2024, 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 US\$	No. of share options outstanding (Note)	
				2025	2024
Employees	28 July 2016	28 July 2026	0.80	2,451	2,451
	27 April 2018	27 April 2028	1.20	18,038	22,163
	26 July 2018	26 July 2028	1.20	19,875	21,875
	24 January 2019	24 January 2029	1.20	31,309	31,309
	25 April 2019	25 April 2029	1.55	21,085	22,809
	15 August 2019	15 August 2029	1.55	1,650	9,650
	6 February 2020	6 February 2030	1.55	–	39,900
	23 April 2020	23 April 2030	2.01	89,300	119,500
	30 July 2020	30 July 2030	2.01	13,000	15,000
	29 October 2020	29 October 2030	2.01	29,150	94,976
	28 January 2021	28 January 2031	2.01	44,000	76,450
29 April 2021	29 April 2031	2.01	155,850	230,175	
Total for the 2016 Share Option Scheme				425,708	686,258

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For the year ended 31 December 2025

33. SHARE-BASED PAYMENTS (CONTINUED)

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.

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 2025 and 2024 are as follows:

	Grant date	Expiry date	Exercise price per option US\$	No. of share options outstanding (Note)	
				2025	2024
Directors	31 October 2022	30 October 2032	0.75 ⁽ⁱ⁾	81,250	86,250
	2 May 2025	1 May 2035	5.46 ^(xii)	50,000	–
Employees	30 August 2021	29 August 2031	3.16 ⁽ⁱⁱⁱ⁾	10,000	13,800
	29 October 2021	28 October 2031	1.84 ⁽ⁱⁱⁱ⁾	5,000	6,250
	21 April 2022	20 April 2032	1.50 ^(iv)	95,219	117,894
	31 October 2022	30 October 2032	0.75 ⁽ⁱ⁾	15,738	21,925
	21 April 2023	20 April 2033	0.66 ^(v)	128,074	156,775
	27 October 2023	26 October 2033	0.61 ^(vi)	10,625	25,000
	26 April 2024	25 April 2034	1.02 ^(vii)	244,306	294,000
	29 July 2024	28 July 2034	6.37 ^(viii)	58,800	65,000
	20 December 2024	19 December 2034	6.04 ^(ix)	15,000	15,000
	2 January 2025	1 January 2035	6.40 ^(x)	2,000,000	–
25 April 2025	24 April 2035	5.42 ^(xi)	427,000	–	
27 October 2025	26 October 2035	7.03 ^(xiii)	340,000	–	
				3,481,012	801,894

- (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. SHARE-BASED PAYMENTS (CONTINUED)

Post-IPO Share Option Scheme (Continued)

- (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.
- (vii) Equivalent to the exercise price per share option denominated in HK\$ of HK\$7.90.
- (viii) Equivalent to the exercise price per share option denominated in HK\$ of HK\$49.4.
- (ix) Equivalent to the exercise price per share option denominated in HK\$ of HK\$46.8.
- (x) Equivalent to the exercise price per share option denominated in HK\$ of HK\$49.6.
- (xi) Equivalent to the exercise price per share option denominated in HK\$ of HK\$42.0.
- (xii) Equivalent to the exercise price per share option denominated in HK\$ of HK\$42.3.
- (xiii) Equivalent to the exercise price per share option denominated in HK\$ of HK\$54.5.

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, 27 October 2023, 26 April 2024, 29 July 2024, 20 December 2024, 2 January 2025, 25 April 2025, 2 May 2025 and 27 October 2025, 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.

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

	2025		2024	
	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	1,488,152	1.69	2,431,257	1.58
Granted during the year	2,822,000	6.31	389,000	2.11
Exercised during the year	(385,025)	1.72	(1,258,855)	1.61
Forfeited during the year	(18,407)	1.97	(73,250)	1.70
Outstanding at 31 December	3,906,720	5.02	1,488,152	1.69
Exercisable at 31 December	717,283	1.67	773,527	1.72

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 2025 is US\$0.17 (2024: US\$0.17).

The weighted average share price at the date of exercise for share options exercised during the year was US\$0.63 (2024: US\$0.61 per share).

The share options outstanding at the end of the year have a weighted average remaining contractual life of 8.38 years as at 31 December 2025 (2024: 7.19 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. SHARE-BASED PAYMENTS (CONTINUED)

During the year ended 31 December 2024, 309,000, 65,000 and 15,000 share options were granted under Post-IPO Share Option Scheme on 26 April 2024 and 29 July 2024 and 20 December 2024 respectively and the total estimated fair value of these share options on the date of grant was US\$315,000.

During the year ended 31 December 2025, 2,000,000, 432,000, 50,000 and 340,000 share options were granted under post-IPO Share Option Scheme on 2 January 2025, 25 April 2025, 2 May 2025 and 27 October 2025 respectively and total estimated fair value of these share options on the date of grant was US\$8,979,000.

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 2025

	Share option granted on			
	2 January 2025	25 April 2025	2 May 2025	27 October 2025
Stock price	US\$0.64 ^(*)	US\$0.54 ^(*)	US\$0.53 ^(*)	US\$0.65 ^(*)
Exercise price per option	US\$6.400	US\$5.419	US\$5.458	US\$7.032
Expected volatility	46.98%	51.49%	52.13%	47.55%
Expected life	10 years	10 years	10 years	10 years
Risk free rate	3.72%	3.31%	3.23%	2.85%
Expected dividend yield	1.01%	1.79%	1.84%	1.48%

^(*) Equivalent to the stock price denominated in HK\$ of HK\$4.96, HK\$4.20, HK\$4.07 and HK\$5.06 respectively.

For the year ended 31 December 2024

	Share option granted on		
	26 April 2024	29 July 2024	20 December 2024
Stock price	US\$0.097 ^(*)	US\$0.637 ^(*)	US\$0.541 ^(*)
Exercise price per option	US\$1.019	US\$6.374	US\$6.039
Expected volatility	49.05%	42.94%	50.03%
Expected life	10 years	10 years	10 years
Risk free rate	3.96%	3.12%	3.66%
Expected dividend yield	6.67%	1.01%	1.19%

^(*) Equivalent to the stock price denominated in HK\$ of HK\$0.75, HK\$4.94 and HK\$4.19 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\$4,218,000 (2024: US\$223,000) during the year ended 31 December 2025 in respect of the share option schemes.

18,407 share options were forfeited during the year ended 31 December 2025 due to the resignation of certain employees of the Group, resulting in the transfer of the corresponding share-based payment reserve of US\$3,000 to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. NOTES 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 31 December 2025 US\$'000
	As at 1 January 2025 US\$'000	Net cash flows US\$'000	Addition of right-of-use assets US\$'000	Exchange difference US\$'000	Remeasurement upon modification US\$'000	
Lease liabilities (Note 27)	22,804	(8,977)	4,282	(34)	8,980	27,055
Bank borrowing	-	7,566	-	-	-	7,566

	Non-cash changes					As at 31 December 2024 US\$'000
	As at 1 January 2024 US\$'000	Net cash flows US\$'000	Addition of right-of-use assets US\$'000	Exchange difference US\$'000	Remeasurement upon modification US\$'000	
Lease liabilities (Note 27)	12,184	(5,452)	16,108	(36)	-	22,804
Bank borrowing	-	-	-	-	-	-

(b) Total cash outflow for leases

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

	2025 US\$'000	2024 US\$'000
Within operating cash flows	1,774	1,231
Within financing cash flows	8,977	5,452
	10,751	6,683

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Total cash outflow for leases (Continued)

These amounts relate to the following:

	2025 US\$'000	2024 US\$'000
Lease rental paid	10,751	6,683

(c) Major non-cash transactions

- (1) During the year ended 31 December 2025, the Group entered into new lease agreements for leased properties and equipments for 2 years to 6 years (2024: 2 years to 5 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\$4,336,000 (2024: US\$16,712,000), US\$4,282,000 (2024: US\$16,107,000) and US\$54,000 (2024: US\$605,000) respectively.
- (2) As mentioned in Note 19(c) to the consolidated financial statements, the Group exercised the renewal option under the existing lease. Upon the lease modification, the Group recognised a non-cash addition to right-of-use assets of US\$8,961,000, an increase in lease liabilities of US\$8,980,000, and a reduction in the provision for reinstatement costs of US\$31,000.

35. OPERATING LEASE ARRANGEMENTS

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

	2025 US\$'000	2024 US\$'000
Within one year (Note)	227	213

Note: During the year ended 31 December 2025, the Group entered into short-term leases for warehouses and the outstanding lease commitments relating to the warehouses were US\$227,000 (2024: US\$213,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. INVESTMENTS IN SUBSIDIARIES

	2025 US\$'000	2024 US\$'000
Unlisted investments, at cost	393	391
Amounts due from subsidiaries	35,468	27,549

As at 31 December 2025 and 2024, the amounts due from subsidiaries are unsecured, interest free and repayment on demand.

Particulars of the Company's principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Name	Principal country of operation and place of incorporation, kind of legal entity	Issued and fully paid up/ registered capital	Equity interest of the Group		Principal activities
			2025	2024	
Direct held					
YesAsia.com. Japan Kabushiki Kaisha (jesu 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
Indirect held					
AsianBeautyWholesale (Hong Kong) Limited	Hong Kong, limited liability company	HK\$1	100%	100%	Trading of beauty products
YesAsia.com (Korea) Limited	South Korea, limited liability company	KRW50,000,000	100%	100%	Trading of entertainment products, fashion wears and accessories
YesStyle.com Limited	Hong Kong, limited liability company	HK\$1	100%	100%	Trading of fashion wears, cosmetics and accessories
YA Logistics Limited	Hong Kong, limited liability company	HK\$1	100%	100%	Logistics and warehouse services
廣州喆麗科樂電子商務有限公司 Guangzhou Zheli Keshuo E-commerce Co., Ltd*	People's Republic of China	RMB2,010,000	70%	70%	Wholesale of beauty products
AsianBeautyWholesale Korea Inc.	South Korea, limited liability company	KRW100,000,000	100%	100%	Trading of beauty products

* The English name of this company represents the management's best effort to translate its Chinese name, as it does not have an official English name

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

37. INVESTMENT IN AN ASSOCIATE

	2025 US\$'000	2024 US\$'000
Unlisted investment: Share of net assets	445	–
	445	–

Details of the Group's associate at 31 December 2025 are as follows:

Name	Place of incorporation/registration	Issued and paid up capital	Percentage of ownership interest/ voting power/ profit sharing	Principal activities
Candy Doll YS LLC	United States	US\$500,000	30%	Business not yet commenced

The following table shows information on the associate that is immaterial to the Group and accounted for using the equity method in the consolidated financial statements.

	2025 US\$'000	2024 US\$'000
At 31 December: Carrying amount of interests	445	–
Year ended 31 December: Loss and other comprehensive income for the year	(55)	–

As at 31 December 2025, the associate did not have any significant commitment or contingent liabilities (2024: Nil). The Group has no capital commitment to provide funding for the associate (2024: US\$400,000).

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For the year ended 31 December 2025

38. 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:

	2025 US\$'000	2024 US\$'000
Salaries and allowances	2,096	1,518
Discretionary bonus	197	916
Equity-settled share-based payments	3,608	23
Retirement benefits for defined contribution plans	135	109
	6,036	2,566

(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:

	2025 US\$'000	2024 US\$'000
Return merchandise authorisation service fee to Ms. Chu Po King (Note (i))	1	2
Consultancy fee to Mr. Hui Yat Yan Henry (Note (ii))	72	–

Note:

- (i) Ms. Chu Po King is a sister of a director and shareholder of the Company.
- (ii) Mr. Hui Yat Yan Henry, a Non-executive Director of the Company, has been redesignated as an Executive Director of the Company with effect from 1 April 2026.

- (c) The Company received management fees of US\$18,571,000 (2024: US\$14,942,000) during the year ended 31 December 2025 from its subsidiaries.
- (d) The Company paid management fee of US\$132,000 (2024: US\$120,000) during the year ended 31 December 2025 to a subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

39. COMMITMENTS

(i) Capital commitments

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

	2025 US\$'000	2024 US\$'000
Property, plant and equipment	53	5,039
Capital contribution to an associate	–	400

(ii) Lease commitments

On 6 November 2025, the Group entered into a lease agreement for certain office equipment. The lease has not commenced as at 31 December 2025. The lease term is five years, commencing from 1 February 2026 and ending on 31 January 2031, with no renewal or extension option.

The total undiscounted lease payments payable by the Group over the non-cancellable lease term amount to US\$538,000 (2024: Nil).

40. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in Note 15 to the consolidated financial statements, no other significant events after the reporting period up to the date of this report.