YEAHKA LIMITED
移卡有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9923)

(1) INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024; (2) SHARE REPURCHASE PLAN; (3) CHANGE OF COMPANY SECRETARY, AUTHORIZED REPRESENTATIVE AND PROCESS AGENT; (4) CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG; AND (5) UPDATE ON DISCLOSEABLE AND CONNECTED TRANSACTION

The board (the "**Board**") of directors (the "**Directors**") of YEAHKA LIMITED (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2024 (the "**Reporting Period**" or "**Period**"). These interim results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

In this announcement, "Yeahka," "we," "us," and "our" refer to the Company, and where the context otherwise requires, the Group.

BUSINESS REVIEW AND OUTLOOK

Business and Financial Summary

- Our one-stop payment services continue to lead the industry and our market-leading position in app-based payments is solidified, with peak daily transaction counts reaching nearly 60 million;

- Against the backdrop of the high base in the same period last year and macroeconomic volatility, our gross payment volume (GPV) for the six months ended June 30, 2024 was RMB1,166.2 billion, representing a decrease of 17.8% compared to the same period in 2023;

- We enhanced our commercialization capability with our payments fee rate[1] maintaining at 12.3 basis points (bps);

- Revenue for the six months ended June 30, 2024 was RMB1,577.7 million, representing a decrease of 23.5% from the same period in 2023;

- Revenue contribution from non-payment services, comprising merchant solutions and in-store e-commerce services, continue to increase, with their percentage to total revenue increasing from 11.0% for the six months ended June 30, 2023 to 14.6% for the same period in 2024;

- Overall gross profit margin increased from 17.7% for the six months ended June 30, 2023 to 19.0% for the same period in 2024;

- Gross profit contribution from non-payment services continue to increase, with their percentage to total gross profit increasing from 52.6% for the six months ended June 30, 2023 to 69.1% for the same period in 2024;

- Driven by our wider application of artificial intelligence, selling and administrative expenses decreased by 11.2% for the six months ended June 30, 2024 compared to the same period in 2023;

- Finance costs reduced by 6.2% for the six months ended June 30, 2024 compared to the same period in 2023;

- Profit for the Period amounted to RMB32.6 million for the six months ended June 30, 2024, exceeding the amount for the full year of 2023; and

- Gearing ratio decreased to 41.1% as at June 30, 2024 on the back of the Company's early repurchase of its convertible bonds using its internal cash flow.

About Yeahka

Yeahka is a leading commerce enablement technology platform dedicated to creating value for merchants and consumers. We strive to expand an independent commercial digitalized ecosystem to (i) provide seamless, convenient and reliable payment services to both merchants and consumers through our one-stop payment services; (ii) enable merchants to better manage and drive business growth through our merchant solutions; and (iii) provide consumers with local lifestyle services of great value through our in-store e-commerce services.

1. After eliminating the impact of the "Non-Recurring Adjustment on Revenue" (as defined in the 2023 Annual Report). For details, see "Non-IFRS Measures" in this announcement.

Strategic Progress and Outlook

During the first half of 2024, we navigated thorough externalities including macroeconomic volatility and maintained our market leadership and business development domestically and internationally. We focused further on higher quality and/or more profitable customers and partners that sustainably deliver value to our businesses, as well as verticals and segments that helped strengthen the resilience of our business model. In addition, we successfully enhanced synergies across our business lines and other value-added services' commercialization capabilities. Our proactive overseas business expansion has also achieved significant progress, further strengthening the foundation of our internationalization strategies that we have believed in for long term. By using technologies including artificial intelligence and streamlined processes, we continued to enhance operational efficiency across business lines. We have been providing merchants with a full range of services from payment platform to digitalization technology. This unique edge enhances our downside protection and ability to continually meet customer needs in various settings. It also allows us to be more agile and enjoy better scalability and stronger profit prospects, as we play a more important role in the global journey of digitalization.

The backdrop of the high base in the first half of 2023 and macroeconomic volatility had a temporary impact on the payment industry in terms of maintaining transaction volume in the first half of 2024. Our GPV decreased 17.8% year-on-year from RMB1,419.2 billion for the six months ended June 30, 2023 to RMB1,166.2 billion for the six months ended June 30, 2024. As a result, our revenue reached RMB1,577.7 million for the six months ended June 30, 2024, down 23.5% from RMB2,062.2 million for the comparative period in 2023. Meanwhile, the composition of our revenue has been further optimized, with both our non-payment business' revenue and its share of contribution to the Company's overall revenue increasing, making the Company's business model more comprehensive and diversified. In particular, our merchant solutions business' revenue increased 21.2% year-on-year from RMB166.9 million in the first six months of 2023 to RMB202.3 million in the comparative period of 2024. The contribution of our non-payment business to our revenue has increased from 11.0% in the first half of 2023 to 14.6% in the corresponding period in 2024.

Our gross profit margin increased to 19.0% in the first half of 2024 from 17.7% in the first half of 2023. The improvement in gross profit margin is primarily attributed to the abovementioned increase in the share of revenue derived from our merchant solutions and in-store e-commerce services, whose gross profit margins are both higher than that of our payment business. Their gross margins also further increased to 90.9% and 81.5%, respectively, in the first half of 2024, on the back of increased monetization and cross-sell synergies amongst our three major business lines, and benefiting from past investments made in relevant research & development as part of our long-term business strategies. These factors have increased the diversity in the composition of our profits. The contribution of non-payment business to our gross profit has increased from 52.6% in the first half of 2023 to 69.1% in the corresponding period in 2024, further increasing the sustainability of our profits.

We continued harnessing artificial intelligence in various regards. For example, we launched a series of AI-driven products and services to assist merchants' precision marketing and improve productivity per personnel and lower their operating cost, including (i) the use of large model to train marketing content and script to improve conversion efficiency; (ii) AI-powered business analytics tools to interpret marketing campaign data; (iii) seamless, automatic customer interaction and scenarios configuration based on merchants' dynamics with their customers; and (iv) automatic generation of unique and creative brand content according to merchants' brand philosophies to enhance their exposure and boost sales conversions. We have also strengthened our capabilities in (i) language conversion tools for merchants' customer servicing chat bots to seamlessly generate responses interchangeable in multiple languages; (ii) automated reward programs on merchant platforms to increase customers' loyalty; and (iii) price setting automation for merchants to optimize monetization. We integrated large language models into our products upgrade and test automation to streamline internal workflows and reduce operational costs. As a result, we raised AI programming code adoption rate and, in particular, automated customers service efficacy rate to over 80%. Our selling expenses and administrative expenses in the first half of 2024 has decreased by 11.2% compared to the corresponding period in 2023.

Our profit for the Period increased to RMB32.6 million in the first half of 2024 compared to RMB30.4 million in the comparative period of 2023. Our profit margin for the Period also increased to 2.1% in the first half of 2024 from 1.5% in the first half of 2023.

The following table sets forth the comparative figures for the six months ended June 30, 2024 and June 30, 2023, respectively:

	For the six months ended June 30,		
	2024	2023	Year-on-year change
	RMB'000	*RMB'000*	*(%)*
Revenue	**1,577,719**	2,062,235	(23.5)
– One-stop payment services	**1,346,561**	1,835,337	(26.6)
– Merchant solutions	**202,319**	166,922	21.2
– In-store e-commerce services	**28,839**	59,976	(51.9)
Gross profit	**300,219**	366,001	(18.0)
Gross profit margin	**19.0%**	17.7%	1.3 (1)
– One-stop payment services	**6.9%**	9.5%	(2.6) (1)
– Merchant solutions	**90.9%**	87.6%	3.3 (1)
– In-store e-commerce services	**81.5%**	76.9%	4.6 (1)
Profit for the Period	**32,580**	30,350	7.3
Profit margin for the Period	**2.1%**	1.5%	0.6 (1)

Note:

(1) Percentage points

Below are the key highlights from our three business lines during the Reporting Period:

One-Stop Payment Services: Sustained Market Leadership with Foundation Reinforced for High-Quality Long-Term Growth

Despite macroeconomic volatility driving the decrease in average transaction amount per customer and the high base in the same period last year, our peak daily count of app-based payment transactions still reached 60 million in the first half of 2024, reflecting our market leadership in the industry. Meanwhile, our fee rate[2] remained stable at 12.3bps during the Reporting Period, demonstrating our pricing power as China's leading payment technology brand and merchants' preference for our high-quality one-stop services. During the Reporting Period, our payment revenue was impacted by our GPV decrease as mentioned above. The Non-Recurring Adjustment on Revenue (as defined in the 2023 Annual Report) carried on its impact on the revenue and gross profit of the one-stop payment services in the first half of 2024 but such impact will cease in the second half of 2024 and the revenue and gross profit of the one-stop payment services will no longer be further netted-off in the second half of 2024.

2. After eliminating the impact of the "Non-Recurring Adjustment on Revenue" (as defined in the 2023 Annual Report). For details, see "Non-IFRS Measures" in this announcement.

We focused on maintaining and enhancing the organic growth drivers of our business and strengthening the fundamental quality of our business model: (i) leveraging our extensive nationwide network and resources, we further explored opportunities in lower-tier regions, where many merchants are still underserved, to gain early mover advantage. In particular, we deepened cooperation with our partners to serve such customers across various industries, for example in North China and Southwest China regions; (ii) in addition to the expansion of our customer base, we further diversified our verticals exposure with stronger resilience to economic downturns, including sports and fitness, healthcare, energy and services, etc.; (iii) through review of different regions' market characteristics and competitive landscapes, we selectively collaborated with more profitable customers, including serving large- and medium-sized merchants with payment solutions specific to their industry needs; (iv) we had diverse customer acquisition channels, including strengthened partnerships with approximately 5,200 SaaS providers, allowing us to offer one-stop payment services to a broader clientele; (v) we collaborated with over a hundred banks for joint merchant acquiring. This benefited both our partners by bringing in new customers for them, as well as our merchants that might otherwise not have access to the banks by providing such merchants with more banking services to support their business growth and promote their transaction volumes. Our one-stop commerce enablement services, including the tailor-made in-store e-commerce and merchant solutions specific to each vertical's scenarios, continued to synergize and support the development of our payment services and enhance the long-term stickiness of our customers. The interconnection between our payment services and other business segments is our unique edge, allowing us to better meet the end-to-end digitalization needs of merchants and thus be more capable of serving larger merchants.

Meanwhile, our proactive expansion of overseas business has achieved remarkable progress under the internationalization strategy we have believed in for long, thereby enhancing the long-term profitability of our payment services. In the first half of 2024, we maintained rapid growth in our overseas payment operations. For example, our GPV in Singapore grew over 50% year-on-year. We achieved a breakthrough in acquiring local customers, winning over internationally well-known brands including Bvlgari, Chow Tai Fook Jewellery, Rolex, MCM, Mikimoto, TWG Tea, Bacha Coffee, Lacoste, Fred Perry, and Bee Cheng Hiang. For overseas products, we have also expanded services such as local wallets, international wallets, credit cards, joint merchant acquiring, foreign exchange and cross-border remittances to meet customers' demands in various regions. Based on local business environments, we actively explored various customer acquisition channels, such as collaborating with chain stores, large shopping malls and food courts, thereby enhancing the efficiency of acquiring payment transaction volume. We will continue to leverage our overseas competitive advantage, including multifaceted payment channels, efficient service delivery capabilities as well as synergies with our investee company, Fushi Technology (Shenzhen) Co., Ltd (深圳市富匙科技有限公司) ("**Fushi**") to develop our business. For example, we can acquire new and sticky customers from Fushi through cross-selling.

Merchant Solutions: Increased Market Penetration and Profit Contribution driven by Further Commercialization of AI and Data Technology

Revenue from our merchant solutions grew 21.2% year-on-year from RMB166.9 million for the six months ended June 30, 2023 to RMB202.3 million in the comparative period in 2024, reflecting our strong capabilities in digitizing businesses and enhancing efficiencies for merchants. During the same period, the number of active merchants we served with our merchant solutions also increased by 5.8% year-on-year. The growth was attributed to our enhanced offerings and monetization across our solutions, leveraging strengthened synergies between merchant solutions and our other business lines. We provided a wider variety of commerce-enablement value-added services to address our merchants' entire lifecycle demands, including online operations, marketing, customer acquisition and financial services.

Gross profit margin for our merchant solutions increased to 90.9% for the six months ended June 30, 2024 from 87.6% for the comparative period in 2023, led by the shift in product mix with increased revenue contribution from higher-margin services. This is also a result of operating leverage benefiting from past investments made in relevant research & development as part of our long-term business strategies. We strive to further harness our existing leading position in the market, technology capabilities as well as our wide business network and coverage to drive more profits from this business line.

In-store E-commerce Services: Strategic Upgrades for Sustainable Growth and Profitability

We strategically upgraded our business model in this rather nascent industry segment. Based on continuous review and research of market dynamics in each locality, and in line with the latest industry development trends, we focused on higher quality and/or more profitable customers and used various content formats such as short videos and livestreaming to increase our services offered to large-sized customers. For example, our latest customers include numerous chain stores such as Naixue Tea House (奈雪的茶), Yuanji Dumplings (袁記雲餃), Tastien Burgers (塔斯汀漢堡) and Daddy Sweety Toast (爸爸糖吐司). The strategic upgrades have enabled us to improve sales efficiency. The number of brand stores we served increased from over 13,000 at the end of 2023 to over 18,000 as at June 30, 2024, representing an increase of approximately 35% year-on-year. At the same time, merchants' stickiness to us and willingness to pay for our services also increased. As a result, compared to the same period last year, the revenue generated by each merchant and our per personnel revenue both recorded year-on-year growth.

As a result of the strategic upgrade in business model and the phase out of customers with lower profitability, the revenue in our in-store e-commerce services decreased by 51.9% year-on-year for the six months ended June 30, 2024. We believe that such business positioning would lay a more solid foundation for more sustainable higher-quality and more profitable growth in the longer term.

In addition, we refined our monetization model through increasing upfront fees, based on our more established execution capabilities and thorough understanding of local market dynamics, in addition to the typical commission fees which are based on the merchants' GMV on corresponding services provided by us. As the upfront fees are fixed by nature in advance of the launch of our services, they provided protection on profitability of each project we select. As a result, the gross profit margin of our in-store e-commerce services increased by 4.6 percentage points year-on-year to 81.5% for the six months ended June 30, 2024.

Furthermore, we also strategically reviewed our business development practices and set-up to increase overall efficiencies. Both gross profit generated from each merchant and our per personnel gross profit during the first half of 2024 increased year-on-year. This led to the continuing decrease of in-store e-commerce services' net loss to RMB15.6 million in the first half of 2024, representing a 39.6% decrease year-on-year, or a 11.1% decrease compared to the net loss in the second half of 2023, paving the way for our progress towards sustainable profitability by the second half of this year for this business line and continuous growth in the future.

Overseas Expansion: Remarkable Progress Building upon the Foundation of Our Long-term Internationalization Strategy

In the first half of 2024, we maintained rapid growth in our overseas payment operations. For example, our GPV in Singapore grew over 50% year-on-year. The customers we served there include internationally well-known brands such as Bvlgari, Chow Tai Fook Jewellery, Rolex, MCM, Mikimoto, TWG Tea, Bacha Coffee, Lacoste, Fred Perry, and Bee Cheng Hiang. We believe the abovementioned clientele will present attractive opportunities for us to expand the offerings of our broader suite of commerce enablement solutions to merchants in Asia-Pacific, by allowing us to leverage our proprietary technology stacks, established payment channels, big data algorithm as well as first-hand experiences of working with numerous merchants for over a decade.

We entered into overseas markets that are economically attractive with customers' high willingness to pay, thereby increasing the quality of our profits. Our investee company, Fushi, has promoted digital merchant solutions in overseas markets serving over 200 global and regional brands such as Starbucks, MUJI, PizzaHut, Sunway, New Balance and Levi's, and covering over 20,000 stores in Southeast Asia, including Singapore, Indonesia, Vietnam and Malaysia. As these brands expand their footprint in the region, Fushi is also naturally positioned to provide various proprietary and self-developed products to help these brands to extend their coverages in the new geographies. It also cross-sold other products including payment services to merchants as part of our synergies across business lines. As Fushi established its reputation overseas, it also won over more new global and regional brands from a wider variety of verticals such as energy, real estate and business services.

Localized products and operations are crucial. Fushi continually reviews market attributes and customer preferences of different verticals overseas, actively enriches its proprietary and self-developed product portfolio and improves service efficiency. For example, Fushi customized applications and websites for enterprise customers, enhancing the breadth and depth of its commerce enablement for customers and increasing such customers' long-term stickiness to us. Our unique edge is our capability to provide merchants with a full range of services from payment platform to digitalization technology. Such edge enhances our ability to continually meet customer needs in various settings and allows us to be more agile and enjoy better scalability and stronger profit prospects, as we play a more important role in the global journey of digitalization.

AI Technology: Wider Application to Step Up Profit and Efficiency Enhancement

As a company founded with technology in our DNA since a decade ago, we remained relentless in pursuing innovation and excellence in the application of artificial intelligence onto our product suites and deliver value-added services to our customers. Our artificial intelligence laboratory (AI Lab) and the Shenzhen Development and Science Center (DSC) coordinated and focused on our AI-related initiatives across large model, algorithm creation and content generation for different businesses. Such setup positioned us for wider application and deeper penetration of AI usage in various commerce scenarios for merchants both domestically and internationally.

We continued harnessing artificial intelligence in various regards. For example, we launched a series of AI-driven products and services to assist merchants' precision marketing and improve productivity per personnel and lower their operating cost, including (i) the use of large model to train marketing content and script to improve conversion efficiency; (ii) AI-powered business analytics tools to interpret marketing campaign data; (iii) seamless, automatic customer interaction and scenarios configuration based on merchants' dynamics with their customers; and (iv) automatic generation of unique and creative brand content according to merchants' brand philosophies to enhance their exposure and boost sales conversions.

We have also strengthened our capabilities in (i) language conversion tools for merchants' customer servicing chat bots to seamlessly generate responses interchangeable in multiple languages; (ii) automated reward programs on merchant platforms to increase customers' loyalty; and (iii) price setting automation for merchants to optimize monetization. We integrated large language models into our products upgrade and test automation to streamline internal workflows and reduce operational costs. As a result, we raised AI programming code adoption rate and, in particular, automated customers service efficacy rate to over 80%.

Financial Planning: Active Measures to Optimize Capital Structure

To reduce interest expenses and lower our gearing ratio to support the long-term development of our businesses, we repurchased at a discount an aggregate of US$35 million of our convertible bonds in the first half of 2024 and fully redeemed the remaining outstanding amount of another US$35 million in July 2024 ahead of their maturities in 2027 using our internal cash flows.

After the Reporting Period, our Board has also approved an aggregated amount of US$10 million for share repurchase purposes, which aims to enhance our shareholder return.

Company Outlook

We are committed to being the go-to commerce enablement services provider for merchants. Whilst maintaining our established market leadership in the one-stop payment services segment. We strive to continue accelerating the growth and profit contribution of other services including merchant solutions and in-store e-commerce services as we upgrade our intrinsically synergistic business model. We have a strong foundation underscored by technical set-up, merchants servicing insights and business network domestically and beyond to further our progress in international expansion into attractive segments and widespread application of AI tools for both commercialization and efficiency purposes. We believe by being steadfast to our vision and business model upheld for over a decade, such strategies will build a natural moat against further externalities whilst equipping us with early mover advantage capturing emerging opportunities on a much wider scale in the long-term.

Share Purchase by our Controlling Shareholder, Share Purchase Pursuant to the RSU Scheme, and Convertible Bonds Repurchase

We are informed by our controlling shareholder, Creative Brocade International Limited (an entity controlled by our founder, chairman of the Board, and chief executive officer, Mr. Liu Yingqi) ("**Creative Brocade International**"), that as of the date of this announcement, it has purchased a total of 1,448,400 shares of the Company (the "**Shares**") from the open market since January 1, 2024, representing 0.33% of the issued Shares as of the date of this announcement. By increasing their shareholding in the Company, Mr. Liu and Creative Brocade International have expressed their confidence in the future prospects for the development of the Group and recognized its intrinsic value.

Meanwhile, during the Reporting Period, the trustee of the restricted share unit scheme ("**RSU Scheme**") has utilized an aggregate of approximately HKD49.5 million (including commissions and transaction costs) to purchase 3,966,000 Shares from the open market at a consideration ranging from HKD10.00 to HKD14.76 per Share. The Shares purchased during such period represent 0.90% of the issued Shares as of June 30, 2024. The purchased Shares will be used as share awards to incentivize key personnel of our Group and/or its related entities.

Furthermore, the Board has approved an aggregated amount of US$10 million for the Company's share repurchase purposes, further enhancing our shareholder return. For details, see "Share Repurchase Plan" in this announcement.

Since January 1, 2024, the Company has also early redeemed the entire 6.25% convertible bonds due 2027 in the aggregate principal amount of US$70 million (the "**Convertible Bonds**"). As of the date of this announcement, all the Convertible Bonds were redeemed and canceled. The Convertible Bonds were delisted from The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on July 23, 2024. The Board believes that the early redemption of the Convertible Bonds will significantly reduce the Company's interest expenses and optimize its capital structure.

Environmental, Social and Governance ("ESG")

We are committed to integrating sustainable development concepts into our daily operations and management, fulfilling corporate citizenship responsibilities, continuously optimizing our corporate governance system, and comprehensively assessing our environmental and social impact. Guided by the UN Sustainable Development Goals and driven by the concerns of various stakeholders, we formulated our ESG governance strategy and continuously strengthened our ESG management. During the Reporting Period, we were once again recognized in S&P Global's 2024 Sustainability Yearbook (China Edition) and ranked first in our industry in China, demonstrating our outstanding sustainability performance.

On the environment front, we actively responded to the national call for energy conservation and emission reduction by constructing green data centers. Through the centralized management and allocation of resources via Yeahka's private cloud, we promoted the "half-cloud, half-physical" deployment method. During the Reporting Period, we have allocated 160 private cloud servers and reduced the purchase of 50 physical servers in aggregate, increasing the utilization rate of our total energy usage by approximately 7%. We have also enriched the contents on Task Force on Climate-Related Financial Disclosures (TCFD) and climate-related opportunities and supplemented the climate change response measures categorized by impact time frame in the ESG Report.

On the social front, our business model intrinsically addressed very broad social and inclusion needs by assisting underserved micro, small, and medium-sized merchants in digitizing operations and maintaining business relevance to provide consumers with local lifestyle services of great value, thereby raising consumers' quality of life in communities domestically and internationally. We also continued to strengthen the levels of transaction risk control. During the Reporting Period, we made approximately 9 billion risk decisions and performed risk treatment on more than 12 million risky transactions. We also actively built an equal and diverse talent team, added the dimensions of "work satisfaction" and "employee happiness" in the employee satisfaction survey and were committed to achieving, maintaining, and developing the fundamental rights of all employees. Moreover, we strictly adhered to occupational health and safety, providing our employees with a variety of benefits and care measures, including flexible working hours arrangement and parental leave. During the Reporting Period, all employees have participated in labor union. Together with various sectors of the community, we strive to build a better future.

On the corporate governance front, we actively maintain gender diversity in our board composition. During the Reporting period, Ms. Liang Shengtian, who has demonstrated outstanding professional ability in fintech business and insights into risk management with a proven track record with us and across many other institutions previously, joined our Board bringing great character, integrity and experience. On August 27, 2024, the Board also appointed Mr. Lai Chun Tat, who has over 10 years of relevant financial, corporate secretarial and compliance experience for Hong Kong listed companies, as one of the joint company secretaries of the Company. We attach great importance to information security and have updated technical standards such as administrative measures for source code control on upgrading, Java code guidelines, and C++ code guidelines. We systematically improved the ESG governance structure. The ESG Committee identifies sustainable development opportunities and risks, regularly evaluates the integrity and effectiveness of our ESG governance structure, reviews our ESG performance and goal progress, and reports ESG governance matters to the Board, incorporating feedback from internal and external investors. During the Reporting Period, we newly formulated the 'Yeahka Tax Guidelines' and supplemented and emphasized anti-money laundering and anti-terrorist financing contents in our 'Anti-Money Laundering Policy Statement'. Meanwhile, we conducted anti-corruption and anti-money laundering training for employees, achieving a 100% training coverage rate.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS PERFORMANCE FOR THE SIX MONTHS ENDED JUNE 30, 2024

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	**1,577,719**	2,062,235
Including: interest revenue	**84,365**	48,298
Cost of revenue	**(1,277,500)**	(1,696,234)
Gross profit	**300,219**	366,001
Selling expenses	**(52,280)**	(82,906)
Administrative expenses	**(155,705)**	(151,257)
Research and development expenses	**(128,286)**	(122,703)
Net impairment losses on financial assets	**(42,105)**	(7,856)
Other income	**18,626**	29,632
Fair value changes of financial assets and financial liabilities at fair value through profit or loss	**94,184**	60,756
Other gains – net	**22,189**	2,389
Operating profit	**56,842**	94,056
Finance costs	**(41,872)**	(44,662)
Share of profits/(losses) of investments accounted for using the equity method	**21,408**	(5,487)
Profit before income tax	**36,378**	43,907
Income tax expenses	**(3,798)**	(13,557)
Profit for the Period	**32,580**	30,350
Profit for the Period attributable to:		
Equity holders of the Company	**31,628**	33,163
Non-controlling interests	**952**	(2,813)

Revenue

We generate revenue primarily through our three main types of business, namely (i) one-stop payment services; (ii) merchant solutions; and (iii) in-store e-commerce services. Our revenue decreased by 23.5% from RMB2,062.2 million for the six months ended June 30, 2023 to RMB1,577.7 million for the comparative period in 2024, primarily due to the adverse impacts on our one-stop payment services driven by macroeconomic dynamics, partially offset by the increased revenue from our gradually expanding merchant solutions.

The following table sets forth our revenue by business type for the periods indicated:

	For the six months ended June 30,			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Revenue from one-stop payment services	**1,346,561**	**85.4**	1,835,337	89.0
Revenue from merchant solutions	**202,319**	**12.8**	166,922	8.1
Revenue from in-store e-commerce services	**28,839**	**1.8**	59,976	2.9
Total	**1,577,719**	**100.0**	2,062,235	100.0

One-stop payment services

Revenue from our one-stop payment services decreased by 26.6% from RMB1,835.3 million for the six months ended June 30, 2023 to RMB1,346.6 million for the comparative period in 2024, primarily due to the decrease in our total GPV we processed, which was impacted by macroeconomic dynamics.

Merchant solutions

Revenue from our merchant solutions increased by 21.2% from RMB166.9 million for the six months ended June 30, 2023 to RMB202.3 million for the comparative period in 2024 due to our enhanced offerings and monetization across our solutions leveraging strengthened synergies between merchant solutions and our other business lines.

In-store e-commerce services

Revenue from in-store e-commerce services decreased by 51.9% from RMB60.0 million for the six months ended June 30, 2023 to RMB28.8 million for the comparative period in 2024, primarily due to the strategic upgrade in business model and the phase out of customers with lower profitability.

Cost of Revenue

The following table sets forth a breakdown of our cost of revenue by nature for the periods indicated.

	For the six months ended June 30,			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Commission and fees	**1,199,748**	**93.9**	1,625,299	95.8
Amortization of non-current assets	**52,783**	**4.1**	43,708	2.6
Raw materials and consumables	**4,568**	**0.4**	8,321	0.5
Others	**20,401**	**1.6**	18,906	1.1
Total	**1,277,500**	**100.0**	1,696,234	100.0

Our cost of revenue decreased by 24.7% from RMB1,696.2 million for the six months ended June 30, 2023 to RMB1,277.5 million for the comparative period in 2024, primarily due to lower commission and fees following the decrease in the total GPV of one-stop payment services.

The following table sets forth a breakdown of our cost of revenue by business type for the periods indicated:

	For the six months ended June 30,			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		(unaudited)	
One-stop payment services	**1,253,703**	**98.1**	1,661,679	98.0
Merchant solutions	**18,465**	**1.5**	20,727	1.2
In-store e-commerce services	**5,332**	**0.4**	13,828	0.8
Total	**1,277,500**	**100.0**	1,696,234	100.0

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by business type for the periods indicated:

	For the six months ended June 30,			
	2024		2023	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	***%***	*RMB'000*	*%*
	(unaudited)		(unaudited)	
One-stop payment services	**92,858**	**6.9**	173,658	9.5
Merchant solutions	**183,854**	**90.9**	146,195	87.6
In-store e-commerce services	**23,507**	**81.5**	46,148	76.9
Total	**300,219**	**19.0**	366,001	17.7

Our gross profit decreased by 18.0% from RMB366.0 million for the six months ended June 30, 2023 to RMB300.2 million for the comparative period in 2024 mainly as a result of the decrease in our revenue.

Our gross profit margin increased from 17.7% for the six months ended June 30, 2023 to 19.0% for the comparative period in 2024 as a result of the increase in the share of revenue derived from merchant solutions and in-store e-commerce services, whose gross profit margins are higher than that of the one-stop payment business and whose combined shares of revenue rose to 14.6% in the first half of 2024 from 11.0% for the six months ended June 30, 2023.

Gross profit margin of our one-stop payment services decreased from 9.5% for the six months ended June 30, 2023 to 6.9% for the comparative period in 2024 as the Non-Recurring Adjustment on Revenue (as defined in the 2023 Annual Report) carried on its impact on the gross profit of the payment business in the first half of 2024. Such impact will cease in the second half of 2024.

Gross profit margin of merchant solutions increased from 87.6% for the six months ended June 30, 2023 to 90.9% for the comparative period in 2024, led by the shift in product mix with increased revenue contribution from higher profit margin services.

Gross profit margin of in-store e-commerce services increased from 76.9% for the six months ended June 30, 2023 to 81.5% for the comparative period in 2024 as a result of our focus on more profitable customers.

Selling Expenses

Our selling expenses decreased by 36.9% from RMB82.9 million for the six months ended June 30, 2023 to RMB52.3 million for the comparative period in 2024, primarily due to our wider application of artificial intelligence and the decrease in employee benefits and outsourcing service fees in our in-store e-commerce services.

Administrative Expenses

Our administrative expenses increased by 2.9% from RMB151.3 million for the six months ended June 30, 2023 to RMB155.7 million for the comparative period in 2024.

Research and Development Expenses

Our research and development expenses increased by 4.6% from RMB122.7 million for the six months ended June 30, 2023 to RMB128.3 million for the comparative period in 2024.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased by 436.0% from RMB7.9 million for the six months ended June 30, 2023 to RMB42.1 million for the comparative period in 2024 because we adopted a more refined credit risk model and drew more impairment provision along with the solid growth in our fintech services.

Other Income

Our other income decreased by 37.1% from RMB29.6 million for the six months ended June 30, 2023 to RMB18.6 million for the comparative period in 2024, primarily due to the decrease in interest income from bank deposits.

Fair Value Changes of Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

We recorded fair value changes of financial assets and financial liabilities at fair value through profit or loss of a gain of RMB60.8 million for the six months ended June 30, 2023 and a gain of RMB94.2 million for the six months ended June 30, 2024 respectively, primarily due to the fair value gains from the investments in preferred shares and related financial instruments of an investee company, Fushi.

Other Gains – Net

We recorded other gains – net of RMB2.4 million for the six months ended June 30, 2023 and other gains – net of RMB22.2 million for the six months ended June 30, 2024 respectively, the increase in other gains was primarily due to the gain on repurchase of Convertible Bonds during the Reporting Period.

Operating Profit

As a result of the foregoing, we recorded operating profit of RMB94.1 million for the six months ended June 30, 2023 and RMB56.8 million for the comparative period in 2024.

Finance Costs

Our finance costs decreased by 6.2% from RMB44.7 million for the six months ended June 30, 2023 to RMB41.9 million for the comparative period in 2024, primarily due to the decrease in interest expenses on our borrowings and Convertible Bonds.

Share of Profits/(Losses) of Investments Accounted for Using the Equity Method

Our share of profits/(losses) of investments accounted for using the equity method improved from a loss of RMB5.5 million for the six months ended June 30, 2023 to a profit of RMB21.4 million for the comparative period in 2024, primarily due to the increase in the carrying amount of our equity interests in an associate of the Group.

Profit Before Income Tax

As a result of the foregoing, our profit before income tax decreased by 17.2% from RMB43.9 million for the six months ended June 30, 2023 to RMB36.4 million for the comparative period in 2024.

Income Tax Expenses

Our income tax expenses decreased by 72.0% from RMB13.6 million for the six months ended June 30, 2023 to RMB3.8 million for the comparative period in 2024. Our effective tax rate was 30.9% for the six months ended June 30, 2023 and 10.4% for the six months ended June 30, 2024. The decrease was mainly due to the narrowing of the net loss of our in-store e-commerce services during the Reporting Period as the losses were not recognized as deferred tax assets due to our prudent approach.

Profit for the Period

As a result of the foregoing, our profit increased by 7.4% from RMB30.4 million for the six months ended June 30, 2023 to RMB32.6 million for the six months ended June 30, 2024.

Non-IFRS Measures

We adopt adjusted EBITDA, which is not required by or presented in accordance with IFRS, as an additional financial measure to supplement our consolidated financial statements. We believe that EBITDA facilitates comparisons of operating performance from period to period and company to company, by eliminating potential impacts of items that our management does not consider indicative of our operating performance. In addition, our adjusted EBITDA excludes certain non-cash or non-recurrent items such as share-based compensation expenses, and fair value changes of financial assets and financial liabilities at fair value through profit or loss. We believe that the non-IFRS measure is commonly adopted by our industry peers and provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measures has limitations as an analytical tool, and the investors and shareholders of the Company (the "**Shareholders**") should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table illustrates reconciliations to our adjusted EBITDA from our profit for the periods indicated:

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
Profit for the period	**32,580**	30,350
Add:		
Finance costs	**41,872**	44,662
Amortization of non-current assets	**52,783**	43,708
Depreciation of property, plant and equipment	**15,191**	20,798
Amortization of intangible assets	**9,055**	9,230
Income tax expenses	**3,798**	13,557
EBITDA	**155,279**	162,305
Add:		
Share-based compensation expenses	**40,803**	26,921
Non-Recurring Adjustment on Revenue[(1)]	**86,100**	162,453
Deduct:		
Gain on repurchase of Convertible Bonds	**(24,727)**	–
Fair value changes of financial assets and financial liabilities at fair value through profit or loss	**(94,184)**	(60,756)
Adjusted EBITDA	**163,271**	290,923

Note:

(1) As defined in the 2023 Annual Report. During the respective periods, we paid certain amount to a suspended account of the payment networks in relation to interchange fee rate adjustments as requested by them. We netted off such payments from our one-stop payment services revenue for the respective periods in accordance with the Group's accounting policies of revenue recognition and based on our preliminary communications with the payment networks. Such adjustment was ended during the six months ended June 30, 2024.

Our adjusted EBITDA for the Period decreased by 43.9% from RMB290.9 million for the six months ended June 30, 2023 to RMB163.3 million for the comparative period in 2024, primarily due to the lower amount of Non-Recurring Adjustment on Revenue as the adjustment ended and gain on repurchase of Convertible Bonds during the Reporting Period.

Capital Structure

Our total assets decreased from RMB8,420.4 million as of December 31, 2023 to RMB7,575.1 million as of June 30, 2024. Our total liabilities decreased from RMB5,803.0 million as of December 31, 2023 to RMB4,993.8 million as of June 30, 2024. Liabilities-to-assets ratio decreased from 68.9% as of December 31, 2023 to 65.9% as of June 30, 2024.

Our current ratio, being current assets divided by current liabilities as of the respective date decreased from 1.24 as of December 31, 2023 to 1.16 as of June 30, 2024.

Liquidity, Capital Resources and Gearing

The Group has adopted a prudent approach in financial resources management. For the six months ended June 30, 2024, we financed our operations primarily through cash generated from business operations, bank borrowings and proceeds from fundraising activity. Our cash and cash equivalents decreased by 23.0% from RMB887.9 million as of December 31, 2023 to RMB683.7 million as of June 30, 2024, primarily attributable to the cash used in repurchase of the Convertible Bonds during the Reporting Period. As of June 30, 2024, the cash and cash equivalents of the Group were mainly denominated in RMB, USD and HKD. The Group maintains a strong cash position to meet potential needs for business expansion and development.

Our gearing ratio, being total debt (which includes total borrowings and convertible bonds) divided by total equity and multiplied by 100%, decreased from 45.3% as of December 31, 2023 to 41.1% as of June 30, 2024, primarily attributable to the early repurchase of the Convertible Bonds using internal cash flow.

Capital Expenditures

Our capital expenditures primarily consist of payments for purchasing property, plant and equipment, intangible assets and payment terminals. Our total capital expenditures decreased by 86.3% from RMB99.4 million for the six months ended June 30, 2023 to RMB13.6 million for the six months ended June 30, 2024.

Indebtedness

Our indebtedness mainly includes Convertible Bonds and interest-bearing bank borrowings denominated in USD and RMB, respectively. The following table sets forth a breakdown of our Convertible Bonds, interest-bearing borrowings and lease liabilities as of the dates indicated:

	As of June 30, 2024 ***RMB'000*** **(unaudited)**	As of December 31, 2023 *RMB'000* (audited)
Non-current		
Convertible Bonds	**–**	405,539
Bank borrowings	**3,000**	–
Lease liabilities	**19,706**	28,896
Current		
Bank and other borrowings	**857,657**	780,062
Convertible Bonds	**200,622**	–
Lease liabilities	**20,241**	22,521
Total	**1,101,226**	1,237,018

Please refer to Notes 18 and 20 to the unaudited interim consolidated financial statements to this announcement for details of our Convertible Bonds and bank and other borrowings and their respective interest rates, respectively.

Contingent Liabilities

As of June 30, 2024, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that was likely to have a material and adverse effect on our business, financial condition or results of operations.

Pledge of Assets

As of June 30, 2024, we pledged account receivables of approximately RMB15.0 million to one bank.

Foreign Exchange Risk and Hedging

As we operate mainly in the PRC with most of the transactions settled in RMB, we consider that our business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities that are denominated in the currencies other than the respective functional currencies of our Group's entities. We do not use any derivative contracts to hedge against our exposure to foreign exchange risk. We manage currency risk by closely monitoring the movement of the foreign currency rates and will take prudent measures to minimize the currency translation risk.

Material Acquisitions and Disposals and Future Plans for Major Investments

During the six months ended June 30, 2024, we did not conduct any material investments, acquisitions or disposals.

Significant Investment Held

As of June 30, 2024, we were interested in 4,500,000 (17.0%) of the ordinary shares in Fushi Technology (Shenzhen) Co., Ltd. (深圳市富匙科技有限公司) ("**Fushi**"), our associate company, and held 7,272,780 (27.4%) of preferred shares of Fushi, which was classified as financial assets at fair value through profit or loss. The carrying amount of our investment in Fushi's ordinary shares and the fair value of the preferred shares amounted to approximately RMB834,335,000 (as of December 31, 2023: RMB731,898,000), which accounted for approximately 11.0% of our total assets as of June 30, 2024. The investment costs for our investment in the preferred shares of Fushi was approximately RMB351,600,000. Net unrealized fair value gains of approximately RMB102,437,000 was recognized by us for the six months ended June 30, 2024 in respect of our investment in the preferred shares of Fushi. No dividend has been received from Fushi for the six months ended June 30, 2024.

Fushi is a company established in the PRC on April 12, 2016 with limited liability. It is a one-stop SaaS digital platform for merchants. The Board believes that Fushi will continue to be an important member within Yeahka's ecosystem of expanding its merchant base and providing merchant services.

Significant Events After the Reporting Period

Except as disclosed in this announcement, there are no material events subsequent to June 30, 2024 which could have a material impact on our operating and financial performance as of the date of this announcement.

Interim Dividend

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2024 (for the six months ended June 30, 2023: Nil).

Company Information

The Company was incorporated in the Cayman Islands on September 8, 2011 as an exempted company with limited liability, and the Shares were listed on the Main Board of the Stock Exchange on June 1, 2020.

Employees

As of June 30, 2024, we had a total of 1,015 employees, substantially all of whom were based in China.

Our success depends on our ability to attract, retain and motivate qualified personnel. The remuneration package for our employees generally includes salary and bonuses. We determine employee remuneration based on factors such as qualifications and years of experience. Employees also receive welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. We make contributions to mandatory social security funds for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

RSU SCHEME

A RSU scheme was adopted by the Company on August 1, 2019. The RSU Scheme will be valid and effective for a period of ten years, commencing from the date of the first grant of the RSUs, being August 1, 2019. Further details of the RSU Scheme are set out in the 2023 Annual Report. Starting from June 5, 2024, being the date of the second annual general meeting after January 1, 2023, the Company will not grant any new Shares under the RSU Scheme and the RSU Scheme shall be entirely funded by existing Shares received from any Shareholder or purchased (either on-market or off-market) by the trustee of the RSU Scheme (the "**RSU Trustee**") in accordance with the rules of the RSU Scheme.

Details of the RSUs granted under the RSU Scheme and the movements in RSUs during the six months ended June 30, 2024 are set below:

Name of RSU grantee	Date of grant	Granted during the Period[1]	Closing Price of Shares immediately before the date of grant *(HKD)*	Fair value of RSUs at the date of grant *(HKD)*	Vesting period	Number of Shares: As at January 1, 2024	Number of Shares: Vested during the Period	Number of Shares: Cancelled during the Period	Number of Shares: Lapsed during the Period	Number of Shares: As at June 30, 2024	Exercise price of RSUs vested or cancelled *(HKD)*	Closing price of Shares immediately before the vesting *(HKD)*
Director of the Company												
Luo Xiaohui	January 21, 2022	–	–	–	January 24, 2023 – January 24, 2026	60,000	20,000	–	–	40,000	0.01	13.58
	March 28, 2023	–	–	–	March 28, 2024 – March 28, 2027[3]	100,000	25,000	–	–	75,000	0.01	12.18
	June 5, 2024	200,000	10.38	10.29	June 5, 2025 – June 5, 2028[3]	–	–	–	–	200,000	0.01	–
Yao Zhijian	January 21, 2022	–	–	–	January 24, 2023 –January 24, 2026	90,000	30,000	–	–	60,000	0.01	13.58
	March 28, 2023	–	–	–	March 28, 2024 –March 28, 2027[3]	200,000	50,000	–	–	150,000	0.01	12.18
	June 5, 2024	200,000	10.38	10.29	June 5, 2025 – June 5, 2028[3]	–	–	–	–	200,000	0.01	–
Liang Shengtian[4]	March 28, 2023	–	–	–	March 28, 2024 – March 28, 2027[3]	38,000	9,500	–	–	28,500	0.01	12.18
	June 5, 2024	95,000	10.38	10.29	June 5, 2024 – June 5, 2028[3]	–	–	–	–	95,000	0.01	–
Other employee of the Group												
6 other employees	January 7, 2021	–	–	–	July 1, 2021 – July 1, 2024	70,000	–	–	–	70,000	16.64	–
63 other employees	January 21, 2022	–	–	–	January 24, 2023 –January 24, 2026	612,840	204,280	–	1,600	406,960	0.01	13.58
161 other employees	March 28, 2023	–	–	–	May 8, 2023 – March 28, 2027[3]	6,283,933	1,933,145	–	13,500	4,337,288	0.01	12.18
241 other employees	June 5, 2024	7,250,914	10.38	10.29	June 5, 2024 – June 5, 2028[3]	–	–	–	–	7,250,914	0.01	10.38
Total		7,745,914				7,454,773	2,271,925	–	15,100	12,913,662		

Notes:

(1) Further details of the grants were set out in the Company's announcement dated June 5, 2024. The RSU Trustee will transfer the existing Shares purchased by the RSU Trustee directly to the RSU grantees and no new Shares will be issued as a result of the grant of RSUs.

(2) The exercise period of the RSUs is 15 years from their respective dates of grant.

(3) Upon each vesting date, the portion of the RSUs that vests shall depend on the RSU grantee meeting a specified threshold in their performance evaluations during the one-year period prior to each vesting date. With respect to each RSU grantee, upon each vesting date, the portion of the RSUs that vests shall depend on the RSU grantee meeting a specified threshold in their regular performance evaluations during the one-year period prior to each vesting date. The performance evaluations are based on a matrix of indicators that vary according to the roles and responsibilities of the RSU grantee. The indicators include, but are not limited to, work quality, efficiency, collaboration and management skills.

(4) Ms. Liang Shengtian was appointed as an executive Director with effect from June 5, 2024.

The maximum number of RSUs that may be granted under the RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the RSU Scheme) shall be such number of Shares held or to be held by the RSU Trustee for the purpose of the RSU Scheme from time to time. As of January 1, 2024 and June 30, 2024, the total number of Shares held by the RSU Trustee for the purpose of RSU Scheme were 76,396,682 and 78,993,730, respectively, representing 17.1% and 17.8% of the Shares in issue as of the relevant dates, respectively.

On June 5, 2024, the Company granted a total of 7,745,914 RSUs pursuant to the RSU Scheme to a total of 244 RSU grantees. The RSUs granted represent 7,745,914 underlying Shares and approximately 1.7% of the issued Shares as at June 30, 2024. The RSU Trustee will transfer the Shares directly to the grantees and no new Shares will be issued as a result of the grant of RSUs. For further details, please refer to the Company's announcement dated June 5, 2024.

Save as disclosed above, for the six months ended June 30, 2024 and up to the date of this announcement, no further RSUs have been or would be granted by the Company pursuant to the RSU Scheme.

SHARE OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") was adopted by the Company on October 13, 2020. The purpose of the Share Option Scheme is to attract, retain, and motivate talented employees to strive towards long term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group. The Share Option Scheme remains valid for a period of ten years commencing on October 13, 2020. Further details of the Share Option Scheme were set out in the circular of the Company dated September 24, 2020.

The table below sets out the movements of the share options of our Company during the period from January 1, 2024 to June 30, 2024 granted under the Share Option Scheme:

		Number of Share Options										
Name of grantee	**Date of grant[4]**	**Granted during the Period**	**Outstanding as at January 1, 2024**	**Exercised during the Period**	**Cancelled during the Period**	**Lapsed during the Period**	**Outstanding as at June 30, 2024**	**Exercise price per Share** *(HKD)*	**Closing price of Shares immediately before the exercising date** *(HKD)*	**Fair value of share options at the date of grant** *(HKD)*	**Vesting period[4]**	**Exercise period**
Director of the Company												
Yao Zhijian	January 7, 2021	–	300,000	–	–	–	300,000	44.20[1]	–	–	July 1, 2021 – July 1, 2024	January 7, 2021 – January 6, 2031
Luo Xiaohui	January 7, 2021	–	100,000	–	–	–	100,000	44.20[1]	–	–	July 1, 2021 – July 1, 2024	January 7, 2021 – January 6, 2031
Liang Shengtian[5]	May 12, 2021	–	50,000	–	–	–	50,000	58.60[2]	–	–	May 12, 2022 – May 12, 2025	May 12, 2021 – May 11, 2031
	January 21, 2022	–	40,000	–	–	–	40,000	25.56[3]	–	–	January 24, 2023 – January 24, 2026	January 21, 2022 – January 20, 2032
Employee of the Group												
119 other employees	January 7, 2021	–	2,867,250	–	–	6,250	2,861,000	44.20[1]	–	–	July 1, 2021 – July 1, 2024	January 7, 2021 – January 6, 2031
67 other employees	May 12, 2021	–	1,092,500	–	–	3,250	1,089,250	58.60[2]	–	–	May 12, 2022 – May 12, 2025	May 12, 2021 – May 11, 2031
209 other employees	January 21, 2022	–	847,500	–	–	10,000	837,500	25.56[3]	–	–	January 24, 2023 – January 24, 2026	January 21, 2022 – January 20, 2032
Total		**–**	**5,297,250**	**–**	**–**	**19,500**	**5,277,750**					

Note:

(1) Being the highest of (i) HKD44.20 per Share, the closing price of the Shares on the date of grant as stated in the daily quotation sheet issued by the Stock Exchange, (ii) HKD39.45 per Share, the average closing price of the Shares for the five business days immediately preceding the date on which the options were granted, and (iii) US$0.000025 per Share, the nominal value. The closing price of the Shares immediately before the date on which the options were granted was HKD43.55.

(2) Being the highest of (i) HKD52.75 per Share, the closing price of the Shares on the date of grant as stated in the daily quotation sheet issued by the Stock Exchange, (ii) HKD58.60 per Share, the closing price of the Shares for the five business days immediately preceding the date on which the options were granted, and (iii) US$0.000025 per Share, the nominal value. The closing price of the Shares immediately before the date on which the options were granted was HKD53.6.

(3) Being the highest of (i) HKD24.70 per Share, the closing price of the Shares on the date of grant as stated in the daily quotation sheet issued by the Stock Exchange; (ii) HKD25.56 per Share, the average closing price of the Shares for the five business days immediately preceding the date on which the options were granted; and (iii) the nominal value of US$0.000025 per Share. The closing price of the Shares immediately before the date on which the options were granted was HKD25.1.

(4) Further details of the grants were set out in the Company's announcements dated January 7, 2021, May 12, 2021 and January 24, 2022.

(5) Ms. Liang Shengtian was appointed as an executive Director with effect from June 5, 2024.

As of June 30, 2024, the number of Shares in respect of which options had been granted and but not yet exercised/canceled/lapsed under the Share Option Scheme was 5,277,750, representing 1.2% of the Shares in issue as of that date. As at January 1, 2024 and June 30, 2024, the total number of Shares available for issue in respect of the options that can be further granted under the Share Option Scheme was 37,323,257 and 37,342,757, respectively, representing 8.4% and 8.4% of the total number of Shares in issue as of the relevant dates, respectively. The total number of Shares available for issue under the Share Option Scheme was 42,620,507 Shares, representing 9.6% of the total number of issued Shares as of the date of this announcement.

For the six months ended June 30, 2024 and up to the date of this announcement, no further options have been or would be granted by the Company pursuant to the Share Option Scheme.

Save as disclosed above, no RSUs and/or options were granted to the Directors, chief executive, substantial Shareholders, related entity participants or service providers of the Company, or their respective associates. None of the participants of the RSU Scheme and/or the Share Option Scheme was granted or to be granted in excess of the 1% individual limit.

Disclosure under Rule 17.07(3) of the Listing Rules

As all awards granted will be satisfied by existing Shares and no options were granted during the six months ended June 30, 2024, no Shares may be issued in respect of options and awards granted under all schemes of the Company during the six months ended June 30, 2024.

USE OF PROCEEDS FROM CONVERTIBLE BONDS

Reference is made to the Company's announcements dated July 4, 2022, July 5, 2022 and July 13, 2022. In July 2022, the Company issued US$70 million 6.25% convertible bonds due 2027. The Group successfully raised total net proceeds (after deducting all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses) of approximately US$68.1 million (equivalent to HKD533.3 million) through the issuance of the Convertible Bonds. The Convertible Bonds were subsequently fully redeemed and cancelled on July 15, 2024. For details of the redemption of the Convertible Bonds, please refer to the Company's announcement dated June 14, 2024 and July 15, 2024.

The following table sets forth the status of the use of net proceeds from the Convertible Bonds up to June 30, 2024:

Intended use of proceeds	**Percentage of intended use of proceeds** *(%)*	**Intended use of proceeds from the issuance of Convertible Bonds**[1] *(In HKD millions)*	**Actual usage for the six months ended June 30, 2024**[1] *(In HKD millions)*	**Actual usage up to June 30, 2024**[1] *(In HKD millions)*	**Unutilized net proceeds as at 30 June, 2024**[1] *(In HKD millions)*	**Expected timeline for utilizing the remaining net proceeds**[2]
Expansion of the Group's overseas business, including cross-border e-commerce foreign exchange/RMB collection and payment business, acquiring and mobile payment business, software as a service (SaaS) digital solution and in-store e-commerce services and for new business opportunities to accelerate the Group's development in upstream and downstream industries	80.0	426.6	40.7	171.1	255.5	–
Strengthen the Group's competitiveness in the PRC such as product research and development, marketing and promotion and recruitment to further establish and reinforce the commercial digitalized ecosystem of the Group	20.0	106.7	17.3	51.4	55.3	–
Total	100.0	533.3	58.0	222.5	310.8	

Note:

(1) The figures in the table are approximate figures.

(2) The Convertible Bonds were fully redeemed and cancelled on July 15, 2024 at the option of the bondholders and all the unutilized net proceeds were used up. For details, see "Purchase, Sale or Redemption of the Company's Listed Securities" in this announcement.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Unaudited For the six months ended 30 June	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*6*	**1,577,719**	2,062,235
Including: interest revenue	*6*	**84,365**	48,298
Cost of revenue	*9*	**(1,277,500)**	(1,696,234)
Gross profit		**300,219**	366,001
Selling expenses	*9*	**(52,280)**	(82,906)
Administrative expenses	*9*	**(155,705)**	(151,257)
Research and development expenses	*9*	**(128,286)**	(122,703)
Net impairment losses on financial assets	*4.2*	**(42,105)**	(7,856)
Other income	*7*	**18,626**	29,632
Fair value changes of financial assets and financial liabilities at fair value through profit or loss – net	*13,21*	**94,184**	60,756
Other gains – net	*8*	**22,189**	2,389
Operating profit		**56,842**	94,056
Finance costs		**(41,872)**	(44,662)
Share of profits/(losses) of investments accounted for using the equity method		**21,408**	(5,487)
Profit before income tax		**36,378**	43,907
Income tax expense	*10*	**(3,798)**	(13,557)
Profit for the period		**32,580**	30,350
Attributable to:			
Equity holders of the Company		**31,628**	33,163
Non-controlling interests		**952**	(2,813)
		32,580	30,350

	Note	Unaudited For the six months ended 30 June **2024** ***RMB'000***	 2023 *RMB'000*
Other comprehensive (loss)/income:			
Items that will not be subsequently reclassified to profit or loss			
Currency translation differences		**7,856**	31,436
Items that may be subsequently reclassified to profit or loss			
Share of other comprehensive income/(losses) of investments accounted for using the equity method		**553**	(611)
Currency translation differences		**(12,605)**	(25,757)
		(12,052)	(26,368)
Other comprehensive (losses)/income for the period, net of tax		**(4,196)**	5,068
Total comprehensive income for the period		**28,384**	35,418
Attributable to:			
Equity holders of the Company		**27,432**	38,231
Non-controlling interests		**952**	(2,813)
		28,384	35,418
Earnings per share attributable to equity holders of the Company (expressed in RMB per share)			
– Basic	*11*	**0.09**	0.09
– Diluted	*11*	**0.09**	0.09

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF POSITION

	Note	**Unaudited As at 30 June 2024** *RMB'000*	Audited As at 31 December 2023 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**52,654**	66,539
Intangible assets	*12*	**488,510**	478,865
Investments accounted for using the equity method		**159,281**	134,721
Prepayments and other receivables	*15(a)*	**43,265**	42,362
Financial assets at fair value through profit or loss	*13*	**936,992**	827,342
Long-term bank deposits		**–**	80,996
Deferred tax assets		**66,521**	57,853
Other non-current assets		**143,967**	185,199
		1,891,190	1,873,877
Current assets			
Inventories		**2,085**	2,433
Loan receivables	*16*	**741,443**	882,332
Trade receivables	*14*	**413,754**	355,059
Prepayments and other receivables	*15(b)*	**2,637,630**	2,292,171
Financial assets at fair value through profit or loss	*13*	**5,658**	13,594
Restricted cash		**1,187,823**	2,097,246
Cash and cash equivalents		**683,711**	887,909
Other current assets		**11,852**	15,740
		5,683,956	6,546,484
Total assets		**7,575,146**	8,420,361
EQUITY			
Share capital and share premium		**3,091,336**	3,094,193
Reserves		**(1,376,543)**	(1,310,601)
Retained earnings		**956,083**	924,284
Equity attributable to equity holders of the Company		**2,670,876**	2,707,876
Non-controlling interests		**(89,523)**	(90,475)
Total equity		**2,581,353**	2,617,401

	Note	**Unaudited As at 30 June 2024** *RMB'000*	Audited As at 31 December 2023 *RMB'000*
LIABILITIES			
Non-current liabilities			
Lease liabilities		**19,706**	28,896
Deferred tax liabilities		**86,680**	78,264
Convertible bonds	*18*	**–**	405,539
Bank and other borrowings	*20*	**3,000**	–
		109,386	512,699
Current liabilities			
Trade and other payables	*19*	**3,642,997**	4,321,666
Contract liabilities		**19,339**	26,073
Current tax liabilities		**117,235**	115,059
Lease liabilities		**20,241**	22,521
Convertible bonds	*18*	**200,622**	–
Bank and other borrowings	*20*	**857,657**	780,062
Financial liabilities at fair value through profit or loss	*21*	**26,316**	24,880
		4,884,407	5,290,261
Total liabilities		**4,993,793**	5,802,960
Total equity and liabilities		**7,575,146**	8,420,361

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION, REORGANIZATION AND BASIS OF PRESENTATION

1.1 General information

Yeahka Limited (the "**Company**") was incorporated in the Cayman Islands on 8 September 2011, as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on 1 June 2020.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the "**Group**"), are principally engaged in the provision of one-stop payment services, merchant solution services and in-store e-commerce services to retail merchants and consumers in the People's Republic of China (the "**PRC**").

This condensed consolidated interim financial report for the six months ended 30 June 2024 (the "**Interim Financial Information**") is presented in RMB, unless otherwise stated. The Interim Financial Information was approved for issue on 27 August 2024.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Interim Financial Information has been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2023, which have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, as set out in the 2023 annual report of the Company dated 21 March 2024 (the "**2023 Financial Statements**").

2.2 Amended standards adopted by the Group

The Group has adopted the following amendments to existing standards which have been adopted by the Group for the first time for the financial year beginning on 1 January 2024:

- Amendments to IAS 1 – Classification of liabilities as current or non-current
- Amendments to IAS 1 – Non current liabilities with covenants
- Amendments to IFRS 16 – Lease liability in sale and leaseback
- Amendment to IAS 7 and IFRS 7 – Supplier finance arrangements

These amendments to existing standards did not result in significant impact on the Group's financial position and results of operation.

2.3 New standards and amendments to existing standards not yet adopted

Standards and amendments to existing standards that have been issued but not yet effective on 1 January 2024 and not been early adopted by the Group as of 30 June 2024 are as follows:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Amendments to IFRS 18	Presentation and disclosure in financial statements	1 January 2027
Amendments to IFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group will adopt the above new or revised standards and amendments to existing standards as and when they become effective. Management has performed preliminary assessment and does not anticipate any significant impact on the Group's financial position and results of operations upon adopting these standards and amendments to the existing IFRSs.

3 ESTIMATES

The preparation of the Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2023 Financial Statements.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programmer focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the 2023 Financial Statements. There have been no significant changes in the risk management policies since 31 December 2023.

4.2 Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, trade receivables, other receivables and loan receivables. The Group also provided guarantees in offering loan facilitation services for loans granted by certain of the Group's loan facilitation partners. Pursuant to the terms of the guarantees, upon default in repayments by the debtors, the Group will be responsible to repay the outstanding loan principals together with accrued interest and penalty owed by the debtors to certain of the Group's loan facilitation partners.

(a) Maximum exposure to credit risk

As at 30 June 2024, the maximum exposure arising from the provision of financial guarantee to certain loan facilitation parties amounted to approximately RMB650 million (31 December 2023: RMB552 million), being the principals and interests of the underlying loans, which were granted by the Group's loan facilitation partners with terms ranging from 3 to 12 months.

The following table contains an analysis of the credit risk exposure subject to impairment. The amount of financial assets below also represents the Group's maximum exposure to credit risk.

	Unaudited As at 30 June 2024			Audited As at 31 December 2023		
	Gross carrying amount *RMB'000*	**Loss allowance** *RMB'000*	**Carrying amount** *RMB'000*	Gross carrying amount *RMB'000*	Loss allowance *RMB'000*	Carrying amount *RMB'000*
Financial assets at amortised cost (IFRS 9)						
Cash and cash equivalents	**683,711**	**–**	**683,711**	887,909	–	887,909
Restricted cash	**1,187,823**	**–**	**1,187,823**	2,097,246	–	2,097,246
Trade receivables (i)	**433,016**	**(19,262)**	**413,754**	376,012	(20,953)	355,059
Loan receivables (ii)						
– Stage 1	**749,514**	**(12,258)**	**737,256**	899,129	(22,065)	877,064
– Stage 2	**9,216**	**(6,940)**	**2,276**	13,754	(9,790)	3,964
– Stage 3	**18,607**	**(16,696)**	**1,911**	13,216	(11,912)	1,304
Other receivables (iii)						
– Stage 1	**2,573,731**	**(8,179)**	**2,565,552**	2,290,060	(7,965)	2,282,095
– Stage 3	**34,262**	**(34,262)**	**–**	35,754	(35,754)	–

(i) The following table contains an analysis of allowance for trade receivables based on overdue aging:

Unaudited 30 June 2024	**Current**	**Less than 90 days past due**	**90-180 days past due**	**180-270 days past due**	**more than 270 days past due**	**Total**
Expected loss rate	**0.71%**	**13.94%**	**60.17%**	**45.90%**	**100.00%**	**4.45%**
Gross carrying amount	**416,183**	**330**	**462**	**122**	**15,919**	**433,016**
Loss allowance	**2,963**	**46**	**278**	**56**	**15,919**	**19,262**

Audited 31 December 2023	Current	Less than 90 days past due	90-180 days past due	180-270 days past due	more than 270 days past due	Total
Expected loss rate	0.68%	9.32%	19.51%	27.87%	100.00%	5.57%
Gross carrying amount	348,177	9,684	492	122	17,537	376,012
Loss allowance	2,383	903	96	34	17,537	20,953

The loss allowances for trade receivables as at 30 June 2024 and 31 December 2023 reconcile to the opening loss allowances as follows:

	Unaudited As at 30 June 2024 ***RMB'000***	Audited As at 31 December 2023 *RMB'000*
At the beginning of the period/year	**20,953**	29,531
Reversal of expected credit loss	**(1,691)**	(8,578)
At the end of the period/year	**19,262**	20,953

(ii) Movement on the provision for expected credit loss allowance of loan receivables are set out as follows:

	Unaudited As at 30 June 2024 ***RMB'000***	Audited As at 31 December 2023 *RMB'000*
At the beginning of the period/year	**43,767**	14,836
Provision for expected credit loss	**43,021**	61,056
Write-off	**(50,894)**	(32,125)
At the end of the period/year	**35,894**	43,767

(iii) Movement on the provision for expected credit loss allowance of other receivables are set out as follows:

	Unaudited As at 30 June 2024 *RMB'000*	Audited As at 31 December 2023 *RMB'000*
At the beginning of the period/year	**43,719**	38,349
Provision for expected credit loss	**775**	5,365
Write off of bad debts	**(2,058)**	–
Currency translation difference	**5**	5
At the end of the period/year	**42,441**	43,719

4.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2024 and 31 December 2023 by level of inputs adopted in the valuation techniques used for measuring fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value as at 30 June 2024.

	Level 1 *RMB'000*	**Level 2** *RMB'000*	**Level 3** *RMB'000*	**Total** *RMB'000*
Assets				
Financial assets at fair value through profit or loss ("**FVPL**")	**5,658**	**–**	**936,992**	**942,650**
Liabilities				
Contingent consideration and others	**–**	**–**	**26,316**	**26,316**

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2023.

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Assets				
Financial assets at FVPL	13,594	–	827,342	840,936
Liabilities				
Contingent consideration and others	–	–	24,880	24,880

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for financial instruments.

During the six months ended 30 June 2024 and 2023, there was no transfer between level 1 and 2 for recurring fair value measurements.

Valuation processes of the Group (Level 3)

A team in the finance department of the Group performs the valuations of financial instruments required for financial reporting purposes, including the Level 3 fair values. This team reports directly to the Chief Financial Officer ("**CFO**"). Discussions of valuation processes and results are held between the CFO and the valuation team at least twice a year.

At each half financial year end the finance department:

- verifies all major inputs to the valuation report;
- assesses valuation movements when compared to the prior valuation report; and
- holds discussions with the independent valuer.

Changes in Level 3 fair values are analysed at each reporting date during the bi-annual valuation discussions between the CFO and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, trade and other receivables, trade and other payables and borrowings approximate to their fair values due to their short maturities.

5 SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-maker ("**CODM**"). The Group's CODM has been identified as the chief executive officer ("**CEO**") of the Company, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group. As a result of this evaluation, the CEO considers that the Group's operations are operated and managed as a single segment; accordingly, no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group's non-current assets and revenues are substantially located in and derived from the PRC. Therefore, no geographical segments are presented.

6 REVENUE

	Unaudited For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
One-stop payment services	**1,346,561**	1,835,337
Merchant solutions services	**202,319**	166,922
In-store e-commerce services	**28,839**	59,976
	1,577,719	2,062,235

For the six months ended 30 June 2024, interest income from entrusted loans and small-sized retail loans amounting to approximately RMB84,365,000 (six months ended 30 June 2023: approximately RMB48,298,000) was included in revenue derived from merchant solutions services. Except for interest income which is recognised over time, revenues of the Group are recognised at a point in time according to the related provisions prescribed under IFRS 15.

During the period, the Group paid approximately RMB86 million in aggregate in relation to interchange fee rate adjustments to a suspense account of the payment networks as requested by the payment networks. Such payments were netted off from the Group's one-stop payment services revenue for the period ended 30 June 2024 in accordance with the Group's accounting policies of revenue recognition and based on the Group's preliminary communications with the payment networks.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the six months ended 30 June 2024 and 2023.

7 OTHER INCOME

	Unaudited For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Government grants	**3,262**	8,310
Interest income from bank deposits	**14,403**	20,959
Interest income from advance to an associate	**961**	363
	18,626	29,632

8 OTHER GAINS – NET

	Unaudited For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Gains on repurchase of convertible bonds	**24,727**	–
Impairment reversal on prepayments	**293**	1,405
Net exchange losses	**(599)**	(851)
Gains on disposal of property, plant and equipment	**163**	610
Gains on disposal of financial assets at FVPL	**–**	1,568
Others	**(2,395)**	(343)
	22,189	2,389

9 EXPENSES BY NATURE

Costs and expenses included in cost of revenue, selling expenses, administrative expenses and research and development expenses are analysed as follows:

	Unaudited For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Commissions and marketing costs	**1,199,748**	1,625,299
Employee benefit expenses	**222,583**	220,239
Amortization of other non-current assets	**52,783**	43,708
Outsourcing service fees	**37,996**	53,914
Depreciation of property, plant and equipment	**15,191**	20,798
Office expenses	**12,128**	10,908
Advertising and promotion expenses	**9,598**	8,866
Amortization of intangible assets	**9,055**	9,230
System development, consulting and data validation	**7,394**	11,389
Professional service fees	**6,271**	8,854
Rental expenses relating to short-term leases	**6,612**	5,849
Travel and transportation	**6,016**	6,445
Raw materials and consumables	**4,568**	8,321
Others	**23,828**	19,280
	1,613,771	2,053,100

10 INCOME TAX EXPENSE

	Unaudited For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**4,050**	8,856
Deferred income tax	**(252)**	4,701
	3,798	13,557

(a) Cayman Islands and British Virgin Islands corporate income tax

Under the current laws of Cayman Islands and the British Virgin Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

(b) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 8.25% on the estimated assessable profits up to HKD2,000,000; and 16.5% on any part of the estimated assessable profits over HKD2,000,000.

(c) PRC current income tax

Current income tax provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC current income tax rate is 25%.

Certain subsidiaries of the Group in the PRC are subject to a preferential current income tax rate of 15% due to their qualification for "High and New Technology Enterprise" ("**HNTE**"). And certain subsidiaries of the Group in the PRC are exempt from current income tax or subject to a preferential current income tax rate of 12.5% due to their qualification for "Software Enterprise".

11 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited For the six months ended 30 June	
	2024	2023
Profit attributable to equity holders of the Company (in RMB thousands)	**31,628**	33,163
Weighted average number of ordinary shares in issue (in thousands) *(i)*	**364,535**	375,720
Basic earnings per share (expressed in RMB per share)	**0.09**	0.09

(i) Weighted average number of ordinary shares in issue for the six months ended 30 June 2024 and 2023 has been determined based on the number of shares in issue, excluding the shares held for the purpose of share award schemes.

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Group has three categories of potential ordinary shares in the six months ended 30 June 2024 which were the convertible bonds as disclosed in Note 18, the share options and the restricted share units ("**RSU**").

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding RSU and share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the RSU.

For the convertible bonds, they are assumed to have been converted into ordinary shares. Interest savings on convertible bonds are adjusted to the extent of the amount charged to the profit attributable to owners of the Company. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the conversion of convertible bonds. For the six months ended 30 June 2024, the effect of the convertible bonds was anti-dilutive and therefore not included in the calculation of the diluted earnings per share.

	Unaudited	
	For the six months ended 30 June	
	2024	2023
Profit attributable to equity holders of the Company (in RMB thousands)	**31,628**	33,163
Weighted average number of ordinary shares in issue (in thousands)	**364,535**	375,720
Adjustments for unvested restricted share units and share options (in thousands)	**1,739**	563
Weighted average number of ordinary shares for the calculation of diluted earnings per share (in thousands)	**366,274**	376,283
Diluted earnings per share (expressed in RMB per share)	**0.09**	0.09

12 INTANGIBLE ASSETS

	Goodwill *RMB'000*	Customer relationship *RMB'000*	Software *RMB'000*	Platform *RMB'000*	Brand name *RMB'000*	Total *RMB'000*
As at 31 December 2023						
Cost	**444,641**	**77,800**	**6,589**	**1,300**	**38,200**	**568,530**
Accumulated amortization and impairment	**(5,524)**	**(60,199)**	**(3,708)**	**(1,300)**	**(18,934)**	**(89,665)**
Net book amount	**439,117**	**17,601**	**2,881**	**–**	**19,266**	**478,865**
Unaudited						
For the six months ended 30 June 2024						
Opening net book amount	**439,117**	**17,601**	**2,881**	**–**	**19,266**	**478,865**
Additions	**–**	**–**	**885**	**–**	**–**	**885**
Business combination	**17,815**	**–**	**–**	**–**	**–**	**17,815**
Amortization charge	**–**	**(4,800)**	**(752)**	**–**	**(3,503)**	**(9,055)**
Closing net book amount	**456,932**	**12,801**	**3,014**	**–**	**15,763**	**488,510**
As at 30 June 2024						
Cost	**462,456**	**77,800**	**7,474**	**1,300**	**38,200**	**587,230**
Accumulated amortization and impairment	**(5,524)**	**(64,999)**	**(4,460)**	**(1,300)**	**(22,437)**	**(98,720)**
Net book amount	**456,932**	**12,801**	**3,014**	**–**	**15,763**	**488,510**
As at 31 December 2022						
Cost	444,641	77,800	6,200	1,300	38,200	568,141
Accumulated amortization and impairment	(5,524)	(50,599)	(3,078)	(1,300)	(10,953)	(71,454)
Net book amount	439,117	27,201	3,122	–	27,247	496,687
Unaudited						
For the six months ended 30 June 2023						
Opening net book amount	439,117	27,201	3,122	–	27,247	496,687
Additions	–	–	390	–	–	390
Amortization charge	–	(4,800)	(317)	–	(4,113)	(9,230)
Closing net book amount	439,117	22,401	3,195	–	23,134	487,847
As at 30 June 2023						
Cost	444,641	77,800	6,590	1,300	38,200	568,531
Accumulated amortization and impairment	(5,524)	(55,399)	(3,395)	(1,300)	(15,066)	(80,684)
Net book amount	439,117	22,401	3,195	–	23,134	487,847

The amortization of intangible assets has been charged to profit or loss as follows:

	Unaudited For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Cost of revenue	**3,600**	3,850
Administrative expenses	**5,455**	5,380
	9,055	9,230

13 FINANCIAL ASSETS AT FVPL

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	RMB'000	*RMB'000*
Current assets		
Investment in listed entities *(a)*	**5,658**	13,594
Non-current assets		
Investment in unlisted entities *(b)*	**926,988**	817,338
Contingent consideration	**10,004**	10,004
	936,992	827,342
	942,650	840,936

The movement of the financial assets at FVPL is set out below:

	Unaudited For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
At the beginning of the period	**840,936**	648,556
Acquisition of a subsidiary	**7,113**	–
Additions	**–**	5,000
Disposal	**(1,019)**	(2,157)
Changes in fair value through profit or loss	**95,461**	69,141
Currency translation differences	**159**	856
At the end of the period	**942,650**	721,396

(a) The balance represented the Group's investments in equity interests of several listed securities on the Hong Kong Main Board of The Stock Exchange of Hong Kong Limited and the New York Stock Exchange, USA.

(b) The balance primarily comprised the Group's investments in preferred shares related to Fushi Technology (Shenzhen) Co., Ltd ("**Fushi**") amounting to approximately RMB834,335,000 (as at 31 December 2023: RMB731,898,000).

14 TRADE RECEIVABLES

	Unaudited As at 30 June 2024 *RMB'000*	Audited As at 31 December 2023 *RMB'000*
Trade receivables	**433,016**	376,012
Less: Allowance for expected credit loss *(Note 4.2)*	**(19,262)**	(20,953)
	413,754	355,059

(a) The carrying amounts of the trade receivables balances were approximate to their fair value as at 30 June 2024. The trade receivables balances were mainly denominated in RMB.

(b) As at 30 June 2024, RMB15,000,000 of trade receivables were pledged for certain bank borrowings of the Group (Note 20).

(c) The Group generally allows a credit period within 90 days to its customers. Aging analysis of trade receivables based on invoice date is as follows:

	Unaudited As at 30 June 2024 *RMB'000*	Audited As at 31 December 2023 *RMB'000*
Up to 3 months	**416,183**	348,177
3 to 6 months	**330**	9,684
6 to 12 months	**584**	614
Over 1 year	**15,919**	17,537
	433,016	376,012

15 PREPAYMENTS AND OTHER RECEIVABLES

(a) Prepayments and other receivables in non-current assets

	Unaudited As at 30 June 2024 *RMB'000*	Audited As at 31 December 2023 *RMB'000*
Prepayments for:		
Construction of office building	**40,317**	37,930
Others	**–**	1,000
Sub-total	**40,317**	38,930
Other receivables		
Deposits	**4,211**	4,696
Less: allowance for impairment of other receivables *(Note 4.2)*	**(1,263)**	(1,264)
Sub-total	**2,948**	3,432
	43,265	42,362

(b) Prepayments and other receivables in current assets

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	RMB'000	*RMB'000*
Prepayments		
Prepayments for SaaS terminals	**1,486**	1,152
Prepayments to media publishers and advertising agents	**66,824**	4,156
Others	**10,518**	12,295
Less: allowance for impairment of prepayments	**(3,802)**	(4,095)
Sub-total	**75,026**	13,508
Other receivables		
Receivables from payment networks *(i)*	**2,023,627**	1,795,303
Amounts due from related parties	**331,343**	318,312
Deposits on lease and others	**68,088**	45,763
Deposits placed with financial institutions	**33,936**	33,663
Amounts due from business partners *(ii)*	**22,337**	26,361
Payment network deposits	**2,127**	1,040
Others	**122,324**	100,676
Less: allowance for impairment of other receivables *(Note 4.2)*	**(41,178)**	(42,455)
Sub-total	**2,562,604**	2,278,663
	2,637,630	2,292,171

(i) The balance mainly represents funds processed by the Group during the process of providing its one-stop payment services and in-store e-commerce services to merchants, which had been received by the payment networks, and would be then transferred to the respective merchants through the Group in accordance with the terms of agreements entered between the Group and the merchants.

(ii) The balance mainly represents advance made by the Group and utility fees to be received for the purpose of developing merchants to its business partners, which would be deducted from their commission fee or returned within contractual period.

(iii) The carrying amounts of the other receivables balances approximate their fair value as at 30 June 2024 and 31 December 2023. Prepayments and other receivables balances were mainly denominated in RMB.

16 LOAN RECEIVABLES

	Unaudited As at 30 June 2024 *RMB'000*	Audited As at 31 December 2023 *RMB'000*
Loan receivables *(i)*	**777,337**	926,099
Less: allowance for impairment of loan receivables *(Note 4.2)*	**(35,894)**	(43,767)
	741,443	882,332

(i) The loan receivables mainly comprise micro-credit loans and small-sized loans to various borrowers provided by the Group itself or through various financial institutions. The loans bore interest rate from 6% to 36% per annum and with lending periods of less than one year. As at 30 June 2024, approximately RMB610,000,000 (2023:RMB577,800,000) of the loan receivables were either guaranteed or secured.

17 DIVIDENDS

No dividends have been paid or declared by the Company for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

18 CONVERTIBLE BONDS

The Group issued USD70,000,000 convertible bonds at a coupon interest rate of 6.25% per annum on 13 July 2022. The bonds mature in five years from the issue date. The bonds could be converted into the Company's ordinary shares, at the holder's option at any time on or after 23 August 2022 up to the close of business on the 10th day prior to the maturity date (both days inclusive), at HKD23.32 (fixed in USD at USD2.97) per share. The holder of the bonds had the right to require the Company to redeem all or some of the bonds if Mr. Liu Yingqi and his affiliates together ceased (directly or indirectly) to own at least 25% of the equity interest of the Company.

The net proceeds from the issue of the convertible bonds were approximately RMB457,059,000, after the deduction of transaction costs approximately RMB13,915,000. The initial value of the liability component of approximated to RMB359,198,000 (the fair value was calculated using a market interest rate for equivalent non-convertible bonds) and is subsequently stated at amortized cost until conversion or maturity of the bonds. The residual amount, representing the value of the equity conversion component, is accounted for as a conversion option reserve included in other reserves.

During the six months ended 30 June 2024, the Company repurchased 50% of the initial principle amounts of convertible bonds with the principal amounting to USD35,000,000 (approximately to RMB248,749,000) at a discount price of USD34,527,500 (approximately to RMB245,391,000). The repurchase price was allocated between the liability component and the equity component on the same basis that was used in the original allocation process. Any difference between the consideration payable allocated to liability component and the liability component's carrying amount was recognized in profit or loss.

The Company has received optional put exercise notices from the bondholders holding an aggregate principal amount of USD35,000,000 that they will exercise their option to require the Company to redeem all convertible bonds held by them on 13 July 2024 and the Company completed the redemption on 15 July 2024.

The convertible bonds recognized are calculated as follows:

	RMB'000
Face value of the convertible bonds on the issue date	470,974
Less: transaction costs	(13,915)
Net proceeds	457,059
Less: equity component	(97,861)
Liability component on initial recognition	359,198
Liability component at 1 January 2023	379,320
Interest accrued at amortization cost	50,581
Coupon interest paid	(30,869)
Currency translation differences	6,507
Liability component at 31 December 2023	405,539
Liability component at 1 January 2024	405,539
Interest accrued at amortization cost	23,488
Coupon interest paid	(14,155)
Repurchase	(191,516)
Adjustment of amortized cost of convertible bonds due to repurchase	(24,727)
Currency translation differences	1,993
Liability component at 30 June 2024	200,622

Interest expenses on the liability component of the convertible bonds were calculated using the effective interest method, applying the effective interest rate of 12.83% per annum.

19 TRADE AND OTHER PAYABLES

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	RMB'000	*RMB'000*
Trade payables *(a)*	**187,658**	274,711
Other payables		
Payables to merchants *(c)*	**3,020,326**	3,645,960
Deposits from distribution channels *(b)*	**80,369**	86,849
Other taxes payables	**47,892**	30,101
Employee benefit payables	**46,137**	60,200
Amounts due to related parties	**21,899**	16,054
Interest payable on convertible bonds	**7,795**	14,602
Provision for regulatory fines	**6,981**	27,814
Others	**223,940**	165,375
	3,455,339	4,046,955
	3,642,997	4,321,666

(a) Trade payables mainly represent amounts due to media publisher, suppliers for purchase of payment terminals and other equipment; commission payable to distribution channels for one-stop payment services and in-store e-commerce services and processing fees payable to payment networks and financial institutions.

As at 30 June 2024 and 31 December 2023, the aging analysis of trade payables based on the invoice date was as follows:

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	RMB'000	*RMB'000*
Up to 3 months	**66,269**	158,512
3 to 6 months	**8,136**	30,520
Over 6 months	**113,253**	85,679
	187,658	274,711

(b) The amount represents refundable deposits placed by distribution channels with the Group when they signed up the distribution channel agreements with the Group. It would be refunded to the respective distribution channel upon expiration of the agreements.

(c) The balance represents funds processed by the Group for merchants, which are required to be settled with merchants upon the respective contractual settlement clearance dates.

(d) As at 30 June 2024 and 31 December 2023, trade and other payables were mainly denominated in RMB and the fair values of these balances were approximated to their carrying amounts.

20 BANK AND OTHER BORROWINGS

	Unaudited As at 30 June 2024 *RMB'000*	Audited As at 31 December 2023 *RMB'000*
Current		
Bank borrowings		
– unsecured with guarantee	**822,657**	723,062
– secured with guarantee	**15,000**	7,000
Borrowing from other non-banking financial institution		
– unsecured with guarantee	**20,000**	50,000
	857,657	780,062
Non-current		
Bank borrowings		
– unsecured with guarantee	**3,000**	–

As at 30 June 2024, short-term borrowings of RMB794,667,000 (31 December 2023: RMB747,062,000) were guaranteed by the Company and certain subsidiaries of the Group, and RMB47,990,000 (31 December 2023: RMB26,000,000) were guaranteed by certain independence third parties and Mr. Qin Lingjin ("**Mr. Qin**"), a minority shareholder and key management person of a subsidiary.The long-term bank borrowing of RMB3,000,000 were guaranteed by Mr. Qin.

As at 30 June 2024, bank borrowings of RMB15,000,000 (31 December 2023: RMB7,000,000) were secured by the pledge of certain trade receivables and guaranteed by Tianjin Chuangxinzhong Technology Co., Ltd., and Mr. Qin.

For the six months ended 30 June 2024, these short-term bank and other borrowings bore effective interest rate of 4.14% (31 December 2023: 4.43%) per annum. The long-term bank borrowing bore effective interest rate of 1.6% per annum.

21 FINANCIAL LIABILITIES AT FVPL

	Unaudited As at 30 June 2024 *RMB'000*	Audited As at 31 December 2023 *RMB'000*
Current liabilities		
Contingent consideration *(a)*	**26,316**	24,880

The movement of the financial liabilities at FVPL is set out below:

	Unaudited For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
At the beginning of the period	**24,880**	30,173
Changes in fair value through profit or loss	**1,277**	8,385
Currency translation differences	**159**	1,440
At the end of the period	**26,316**	39,998

(a) The balance mainly represented the fair value of the contingent consideration payable relating to the acquisition of a subsidiary, which the ultimate payout is contingent upon the fulfillment of certain guaranteed annual profit targets set for the subsidiary for each of the three years ending 30 November 2021, 2022 and 2023.

22 EVENT AFTER BALANCE SHEET DATE

Saves as disclosed elsewhere in the Interim Financial Information, the Group had no other significant subsequent event.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the trustee of the RSU Scheme has utilized an aggregate of approximately HKD49.5 million (including commission and transaction cost) to purchase 3,966,000 Shares on market at a consideration ranging from HKD10.00 to HKD14.76 per Share. The Shares purchased during such period represent 0.90% of issued Shares as at June 30, 2024, and will be used as awards for the participant(s) in the RSU Scheme.

During the Reporting Period, in accordance with the terms and conditions of the Convertible Bonds, the Company repurchased the Convertible Bonds with a principal amount of US$35 million representing 50.0% of the aggregate principal amount of the Convertible Bonds originally issued. The aggregate consideration for the repurchases of the Convertible Bonds was approximately US$34.5 million. Details of the repurchases are set out below.

In April 2024, the Company repurchased the Convertible Bonds with an aggregate principal amount of US$15 million with the right to convert into 5,046,806 Shares, representing approximately 21.4% of the aggregate principal amount of the Convertible Bonds originally issued. For details, please refer to the Company's announcement dated April 30, 2024.

In May 2024, the Company repurchased the Convertible Bonds with an aggregate principal amount of US$20 million with the right to convert into 6,729,073 Shares, representing approximately 28.6% of the aggregate principal amount of the Convertible Bonds originally issued. For details, please refer to the Company's announcement dated June 3, 2024.

As of June 30, 2024, Convertible Bonds with a principal amount of US$35 million representing 50.0% of the aggregate principal amount of the Convertible Bonds originally issued, were outstanding.

After the Reporting Period, on July 13, 2024, pursuant to the terms and conditions of the Convertible Bonds, the bondholders holding an aggregate principal amount of US$35 million representing 50.0% of the aggregate principal amount of the Convertible Bonds originally issued, exercised their option to require the Company to redeem all Convertible Bonds held by them at the principal amount, together with interest accrued but unpaid up to but excluding such date (the "**Redemption**").

On July 15, 2024, the Company completed such Redemption in full. For details, please refer to the Company's announcements dated June 14, 2024 and July 15, 2024.

As of the date of this announcement, there are no outstanding Convertible Bonds in issue. The Convertible Bonds were delisted from the Stock Exchange on July 23, 2024.

Saved as disclosed above, neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's listed securities (including any sale of treasury shares) during the Reporting Period.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Board is of the view that for the six months ended June 30, 2024 and up to the date of this announcement, the Company has complied with most of the code provisions as set out in the CG Code, except for the deviation from code provision C.2.1 of Part 2 of the CG Code as explained below.

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. The roles of chairman of the Board and chief executive officer of the Company are held by Mr. Liu Yingqi. In view of Mr. Liu's experience, personal profile and his roles in the Company, and the fact that Mr. Liu has assumed the role of chief executive officer of the Company since 2011, the Board considers it beneficial to the management and business development of our Group and will provide a strong and consistent leadership to our Group that Mr. Liu acts as the chairman of the Board and continues to act as the chief executive officer of the Company.

While this will constitute a deviation from code provision C.2.1 of Part 2 of the CG Code, the Board believes this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of our Directors; (ii) Mr. Liu and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting operations of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the Model Code since our last reporting and up to June 30, 2024.

The Board has also adopted written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of Part 2 of the CG Code. No incident of non-compliance with the Employees Written Guidelines by the Company's relevant employees had been noted since our last reporting and up to June 30, 2024 and the date of this announcement after making reasonable enquiry.

Audit Committee and Review of Financial Information

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Yao Wei (Chairman), Mr. Tam Bing Chung Benson and Mr. Yang Tao (with Mr. Yao Wei and Mr. Yang Tao possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group, oversee the audit process, review and oversee the existing and potential risks of our Group and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the Group's unaudited interim financial information for the six months ended June 30, 2024. The Audit Committee has also reviewed the accounting principles adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the website of the Stock Exchange (https://www.hkexnews.hk/) and the website of the Company (https://www.yeahka.com/). The interim report of the Company for the six months ended June 30, 2024 containing all the information required by the Listing Rules will be made available on the same websites in due course.

SHARE REPURCHASE PLAN

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting of the Company held on June 5, 2024, the Directors were granted a general unconditional mandate to repurchase Shares up to 44,301,244 Shares (the "**Share Repurchase Mandate**"). Details of the Share Repurchase Mandate are set out in the circular of the Company dated April 25, 2024.

After the Reporting Period, the Board has approved to repurchase Shares on-market from time to time for an aggregated amount up to US$10 million. Pursuant to the Share Repurchase Mandate, the Company may hold them as treasury Shares subject to market conditions and the capital management needs of the Company at the relevant time of the repurchases. The Company will finance the Share repurchase with its internal resources.

The Company will carry out the Share repurchase in compliance with its memorandum and articles of association, the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Companies Act of the Cayman Islands and all applicable laws and regulations to which the Company is subject. The Board does not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Code on Takeovers and Mergers and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage as required by the Listing Rules or prescribed by the Stock Exchange.

Shareholders and potential investors of the Company should note that any Share repurchase may be done subject to market conditions and at the Board's absolute discretion. There is no assurance of the timing, quantity or price of any Share repurchase. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

CHANGE OF COMPANY SECRETARY, AUTHORIZED REPRESENTATIVE AND PROCESS AGENT

The Board hereby announces that Ms. Mak Po Man Cherie ("**Ms. Mak**") has resigned, with effect from August 27, 2024, as (i) the company secretary of the Company (the "**Company Secretary**"); (ii) one of the authorized representatives of the Company (the "**Authorized Representative**") as required under Rule 3.05 of the Listing Rules; and (iii) the authorized representative of the Company (the "**Process Agent**") for accepting service of process or notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Ms. Mak has confirmed that she has no disagreement with the Board and there are no matters relating to her resignations that need to be brought to the attention of the Stock Exchange and the Shareholders.

The Board further announces that it has resolved to appoint Mr. Lai Chun Tat ("**Mr. Lai**") as one of the joint Company Secretaries, and Ms. Tang King Yin ("**Ms. Tang**") as the other joint Company Secretary, the Authorized Representative and the Process Agent, with effect from August 27, 2024.

The biographical details of Mr. Lai and Ms. Tang are as follows:

Mr. Lai is the Finance Director and the board secretary of Yeahka. Mr. Lai joined Yeahka in 2019. He has over 10 years of relevant financial, corporate secretarial and compliance experience for Hong Kong listed companies. Prior to joining Yeahka, he served in the audit division of PricewaterhouseCoopers. Mr. Lai received a bachelor degree in business administration from University of Wisconsin-Madison and a master degree in accounting from Curtin University of Technology. Mr. Lai is also a Chartered Financial Analyst (CFA) and a member of Hong Kong Institute of Certified Public Accountants (HKICPA).

Ms. Tang is a senior manager of the company secretarial services of Tricor Services Limited, a member of Vistra Group, and a global professional services provider specializing in integrated business, corporate and investor services. Ms. Tang has over 10 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Tang obtained a bachelor's degree in business administration from Hong Kong Shue Yan University and a master's degree in corporate governance and compliance from the Hong Kong Baptist University. Ms. Tang is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

The Board wishes to take this opportunity to express its gratitude to Ms. Mak for her contribution to the Company during her tenure of offices and express its warmest welcome to Mr. Lai and Ms. Tang on their new appointments.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board hereby announces that the principal place of business of the Company in Hong Kong has been changed to 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong with effect from August 27, 2024.

UPDATE ON DISCLOSEABLE AND CONNECTED TRANSACTION

Profits Guarantees in Relation to Chuangxinzhong

References are made to the Company's announcements dated November 9, 2020 and November 30, 2020 (the "**First Acquisition**"), and announcements dated December 24, 2020, December 28, 2020 and April 26, 2021 (the **"Second Acquisition**") in relation to the acquisition of 85% of interest in Beijing Chuangxinzhong Technology Co., Ltd. ("**Chuangxinzhong**") in aggregate directly or indirectly for a total consideration of RMB340,000,000 involving cash and the issuance of Shares by the Company as part of the consideration (together, the "**Announcements**"). Unless otherwise defined, capitalized terms used in this section shall have the same meanings as those set out in the Announcements. Pursuant to the Equity Transfer Agreement of the First Acquisition and Share Purchase Agreement of the Second Acquisition, the parties agreed that the Net Profits for the Performance Undertaking Periods will not be less than the following Guaranteed Profits:

Performance Undertaking Periods	**Guaranteed Profits**
First Performance Undertaking Period	RMB45 million
Second Performance Undertaking Period	RMB53 million
Third Performance Undertaking Period	RMB62 million

In case that the Net Profit for any Performance Undertaking Period fails to meet the respective Guaranteed Profit, (i) the instalments shall be adjusted calculated in the formula stipulated in the Equity Transfer Agreement of the First Acquisition; and (ii) the Company shall be entitled to require the Vendors to make cash compensation (the "**Compensation**") to the Company (or its controlled subsidiary) calculated in the formula stipulated in the Share Purchase Agreement of the Second Acquisition.

In August 2024, the Group has received the audited financial statements of Chuangxinzhong for the Third Performance Undertaking Period (i.e., December 1, 2022 to November 30, 2023), pursuant to which the actual net profit of Chuangxinzhong for the Third Performance Undertaking Period was approximately RMB60,522,230. Accordingly, the Guaranteed Profit for the Third Performance Undertaking Period had not been fulfilled and the fourth instalment of the First Acquisition shall be adjusted to RMB27,547,376, whereas the Compensation under the Second Acquisition shall be RMB1,231,475.

As agreed between the parties, the Compensation shall be deducted from the fourth instalment of the First Acquisition payable by the Company. Therefore, the fourth instalment of the First Acquisition shall be further adjusted to RMB26,315,901 from RMB28,220,000, a downward adjustment of RMB1,904,099 (the "**Downward Adjustment**").

As Chuangxinzhong did not incur any audited net losses in the Third Performance Undertaking Period, the Group is not entitled to exercise any option to sell any part of the equity interest in Chuangxinzhong back to any of the Founders.

The Company confirmed that there is no change to the terms of the profit guarantees.

The Board is of the view that the Vendors have fulfilled their obligations under the profit guarantees after the Downward Adjustment.

By order of the Board
YEAHKA LIMITED
移卡有限公司
LIU Yingqi
Executive Director

Hong Kong, August 27, 2024

As at the date of this announcement, the Board comprises Mr. Liu Yingqi, Mr. Yao Zhijian, Mr. Luo Xiaohui, and Ms. Liang Shengtian as executive Directors, Mr. Akio Tanaka as a non-executive Director, and Mr. Tam Bing Chung Benson, Mr. Yao Wei and Mr. Yang Tao as independent non-executive Directors.