

# Yeahka 移卡

Yeahka Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9923.HK



## 2022

Environmental, Social and  
Governance Report



## REPORTING INTRODUCTION

Yeahka Limited (“Yeahka”, the “Company” or “we”) is pleased to publish its third Environmental, Social and Governance Report (the “Report”).

## REPORTING SCOPE

The reporting period disclosed in this Report is from January 1, 2022 to December 31, 2022 (the “Year”), with some content slightly extended beyond the time frame. Unless otherwise stated, this Report mainly elaborates on the Environmental, Social and Governance (“ESG”) management issues related to Yeahka’s three business lines, namely one-stop payment services, in-store e-commerce services and merchant solutions.

## REPORTING DATA SOURCE

The information in this Report is derived from the Company’s official institutional documents, statistical reports or relevant public information.

## FORMS OF PUBLICATION

The Report is available in both Chinese and English and is published in electronic form. You can log on to the official website of the Company ([www.yeahka.com](http://www.yeahka.com)) or the website of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) ([www.hkexnews.hk](http://www.hkexnews.hk)) to access the electronic version.

## REPORTING STANDARD

The Report was prepared in accordance with the provisions of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange while making reference to the United Nations Sustainable Development Goals (SDGs). The Report adheres to the principles of materiality, quantitative, balance and consistency to ensure that the Report is true and accurate, and strives to fully reflect the Company’s ESG management status and work results and provide readers with valuable information.



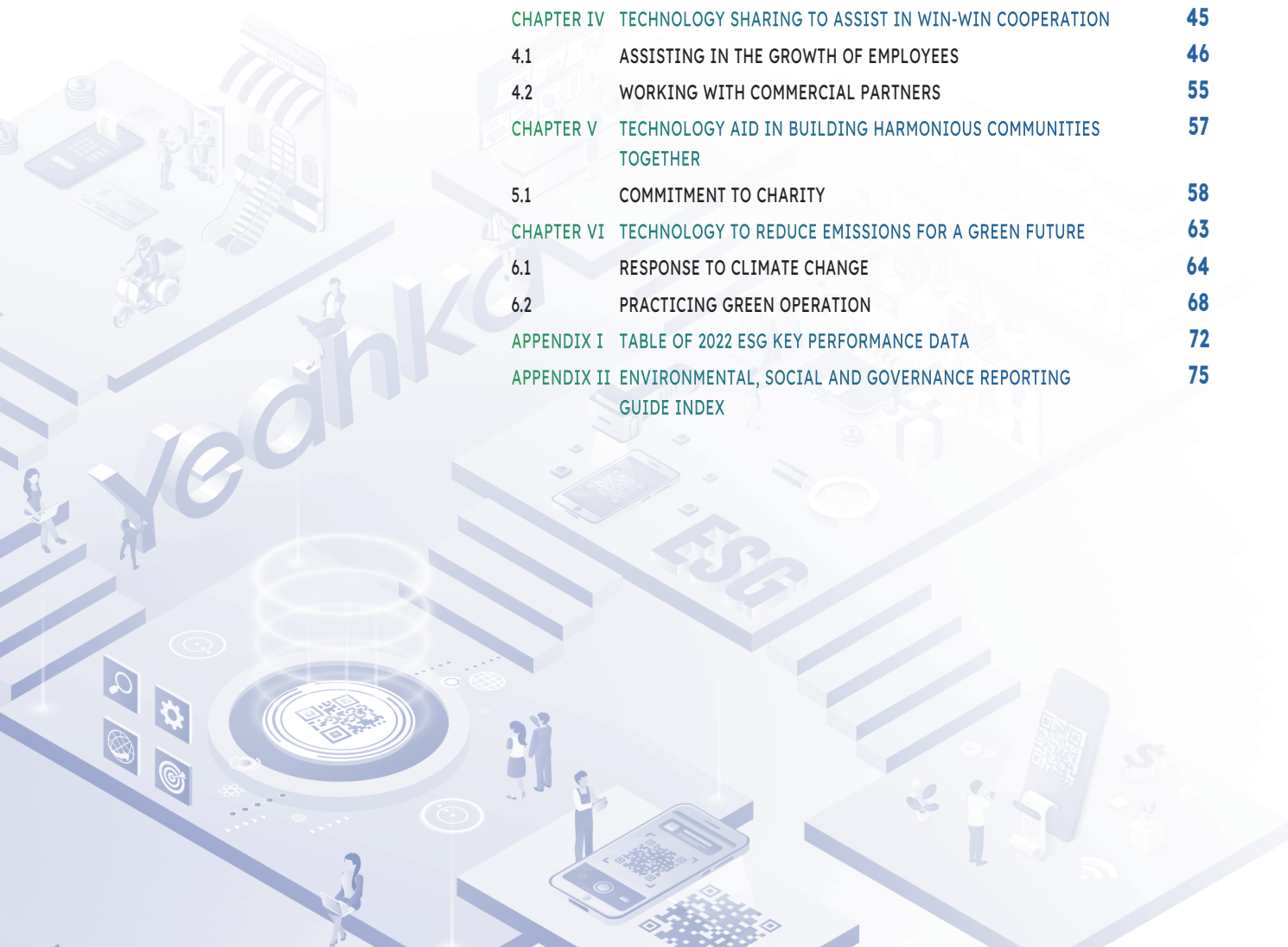
## ABOUT THIS REPORT

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<b>PRINCIPLE</b>	<b>DEFINITIONS</b>	<b>RESPONSES FROM THE COMPANY</b>
Materiality	The issues covered in the Report should reflect the significant impacts of the Company on the economy, environment and society, or the scope of assessments and decisions of stakeholders being affected.	Sustainability issues related to the Company's development are identified through continuous communication and exchanges with stakeholders.
Quantitative	The Report should disclose key performance indicators in a measurable manner in order to assess and verify the performance of ESG policies and management systems.	The Company continuously records and discloses its ESG quantitative performance indicators, and provides textual explanations for quantitative resources.
Balance	The Report should reflect both the positive and negative aspects of the Company's performance in an unbiased manner to conduct a fair evaluation of the overall performance.	The Report accurately, truthfully, and completely discloses the Company's ESG performance.
Consistency	The Company should ensure that the Report adopts consistent disclosure principles so that stakeholders can analyze and evaluate its performance at different times.	Unless otherwise stated, the Company will ensure that the disclosure scope and reporting methods of the Report remain generally consistent every year.

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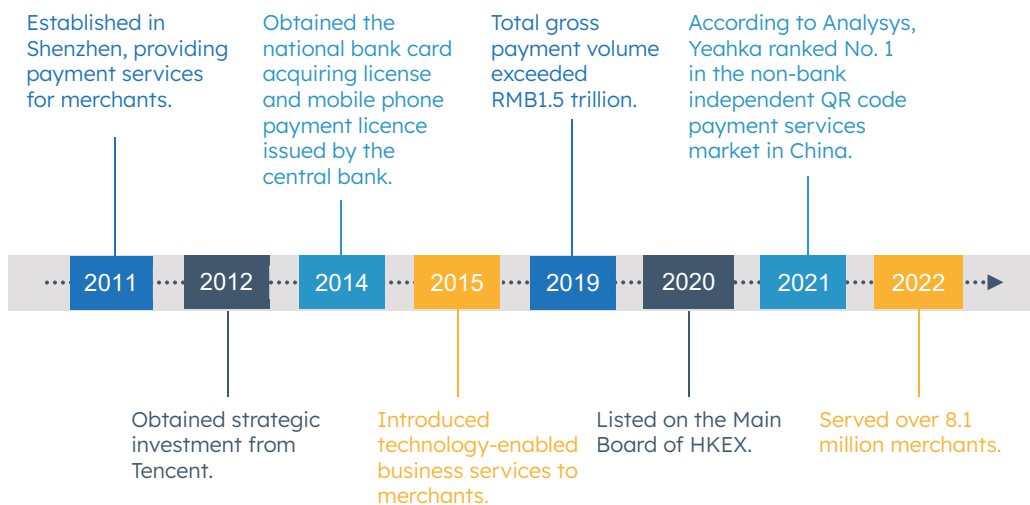


# CHAPTER I COMPANY YEARBOOK FOR 2022

## 1.1 ABOUT US

As a leading payment-based technology platform, Yeahka has been focusing on creating value for our merchants and consumers since its establishment. We provide diversified payment products and one-stop payment services. Based on the payment business, we continuously innovate and explore business systems, improve merchants' digital solutions, enrich consumers' local lifestyle services, and empower merchants with technology. We are committed to building an independent and scalable commercial digitalized ecosystem to achieve seamless, convenient and reliable payment transactions between merchants and consumers, and to further expand into serving merchants and consumers with our diversified product portfolio. By the end of 2022, we had provided one-stop payment services, merchant solutions, and in-store e-commerce services for more than 8.1 million merchants, helping merchants reduce operating costs and improve operating efficiency through digital solutions. Meanwhile, we have provided consumers with more favorable and convenient local lifestyle services.

Yeahka advocates the values of “innovation, integrity, proactivity and responsibility” and is willing to listen, explore and make breakthroughs. We continuously focus on key strategic areas such as user value, technological innovation and social responsibility. We aim to promote the vigorous development of the commercial digitalized ecosystem with our excellent value creation and efficient business implementation capabilities, and we strive to become the most trustworthy technology company.



*Development history of Yeahka*



### 1.2 CORPORATE MILESTONES OF 2022

#### CORPORATE MILESTONES OF 2022

- Yeahka participated in S&P Global's ESG rating and scored 48 points in the first year of participation;
- Yeahka participated in Hang Seng ESG rating and was rated "A-" in the first year of participation;
- Yeahka's founder and CEO issued an internal letter on the Company's 10th anniversary, "Identifying a more promising future", looking back on the past 10 years and looking forward to the future with determination;
- Yeahka and SF Intra-City cooperated deeply in the intra-city delivery of goods, digitalization of merchants' businesses, etc., jointly helping to improve merchants' operating efficiency and consumer experience;
- Yeahka reached a strategic cooperation with Shenzhen Unicom to jointly build a high-quality local lifestyle;
- Yeahka announced a brand upgrade, launching a new brand positioning platform and brand image;
- Qianqianhui, a subsidiary of Yeahka, officially cooperated with Alibaba's Local Lifestyle Services;
- Yeahka sent warm greetings and donated anti-epidemic supplies to frontline anti-epidemic personnel in Nanshan District, Shenzhen;
- Yeahka participated in the "Guangdong Poverty Alleviation Day" donation activity and donated RMB100,000 to Daba Town, Yangdong District, Yangjiang, supporting rural construction with practical actions.

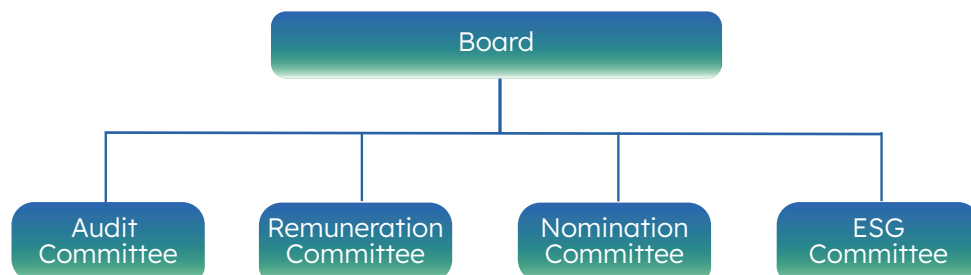


### 1.3 CORPORATE GOVERNANCE

Good corporate governance is the cornerstone to ensure the Company's sustainable development. The Company has established and continuously improved our professional and scientific corporate governance structure in order to promote the sound development of the Company's internal control and operation management. We have achieved an efficient, high standard, and transparent operating model in all business areas, improved corporate governance and provided customers with better products and services.

The Company strictly follows the selection procedures stipulated in the laws of the place of operation and the Company's articles of association to elect directors. The number and composition of the board of directors of the Company (the "Board") comply with legal and regulatory requirements as well as the Company's articles of association. In 2022, more than one-third of the Board members are independent non-executive directors (among the current 8 directors, 3 are independent non-executive directors, 2 are non-executive directors, and 3 are executive directors). The Board of the Company has established the Audit Committee, the Remuneration Committee, the Nomination Committee, and the ESG Committee to provide professional advice and reference for the decision-making of the Board. At the same time, we attach great importance to the diversity of our Board members and pay attention to a number of diversified factors, including but not limited to professional experience, skills, gender, age, culture and educational background. Currently, the Company is actively seeking female candidate(s) to join the Board. Currently, the Board members have extensive industry experience and diverse backgrounds in fields such as computer science, economics, business administration, chemistry and civil engineering, possessing professional abilities in multiple areas.

The Board has established four board committees to supervise specific aspects of the Company's affairs, with the following composition<sup>1</sup>:



- There are 3 executive directors on the Board and the remaining 5 are independent non-executive directors or non-executive directors who are not involved in the management of the Company.
- Among the above 4 committees, the chairman and members of the Audit Committee are served by independent non-executive directors or non-executive directors.
- The Company attaches great importance to the management of ESG-related matters, and established the ESG Committee and the ESG working group in 2022, respectively responsible for the supervision and execution of the Company's ESG affairs.

<sup>1</sup> For more details on corporate governance, please refer to page 62 to page 81 of the "Corporate Governance Report" section in the 2022 Annual Report of Yeahka Limited.



## 1.4 DETAILS ABOUT YEAHKA

<b>ECONOMIC PERFORMANCE</b>	<p>Total assets RMB <b>7,289,998</b> thousand</p>	<p>Total equity RMB <b>2,681,267</b> thousand</p>	<p>Total revenue RMB <b>3,418,035</b> thousand</p>	
	<b>OPERATIONAL PERFORMANCE</b>	<b>One-Stop Payment Services</b> <ul style="list-style-type: none"> <li>Total Gross Payment Volume (“GPV”) reached <b>RMB2,231.6 billion</b>, Year-on-Year (“YoY”) growth by <b>5.1%</b>;</li> <li>Over <b>8.1 million</b> active payment merchants, YoY growth by <b>11.4%</b>.</li> </ul>	<hr/>	
		<b>In-Store E-Commerce Services</b> <ul style="list-style-type: none"> <li>Total Gross Merchandise Value (“GMV”) &gt; <b>RMB3.3 billion</b>, YoY growth by <b>733.1%</b>;</li> <li>Nearly <b>37 million</b> orders, YoY growth by <b>305.0%</b>.</li> </ul>	<hr/>	
<b>ESG PERFORMANCE</b>	<b>Environmental (E)</b> <ul style="list-style-type: none"> <li>By optimizing the business system architecture, deploying and relocating system servers, etc., the overall utilization efficiency of computing resources has been increased by about <b>8%</b>, reducing the energy consumption of about <b>50</b> servers as compared to last year;</li> <li><b>2</b> Yeahka private clouds have been built, and research on database connection pooling has been conducted to greatly improve the utilization rate of facilities.</li> </ul>	<hr/>		
	<b>Social (S)</b> <ul style="list-style-type: none"> <li>Strengthened transaction risk control, made over <b>14 billion</b> risk decisions, achieved <b>40%</b> YoY growth in data processing, and conducted risk treatment on more than <b>10 million</b> risk transactions;</li> <li>Successfully obtained <b>ISO 10002</b> certification for customer complaint management system.</li> </ul>	<hr/>		
	<b>Governance (G)</b> <ul style="list-style-type: none"> <li>The <b>ESG Committee</b> at the Board level was established to develop the Company’s ESG vision, objectives, strategies and governance structure;</li> <li>Attached importance to the establishment of corporate integrity culture, and continued to carry out anti-corruption and compliance-related publicity and training;</li> <li>Conducted training related to the “Sunshine Code of Conduct” for employees, with <b>100%</b> training coverage.</li> </ul>	<hr/>		





## 1.5 HONORS AND AWARDS

### ESG Score

# 48

Yeahka participated in S&P Global’s ESG rating and scored 48 points in the first year of participation.



**A-**  
54.02

Yeahka participated in Hang Seng ESG rating and was rated “A-” in the first year of participation.



Yeahka won the “Best Capital Market Communication Award” at the 6th China IR Annual Awards and has won this award for three consecutive years.



Yeahka won the “Best PR Team Award” at the 2022 Global Investment Trend Forum and the 6th Golden Hong Kong Equities Awards Ceremony jointly hosted by Zhitong Finance, an authoritative Hong Kong and United States capital market information platform, and Tonghuashun Finance. Such achievement demonstrated the outstanding achievements of Yeahka in brand building and public relations maintenance in the past year.



Yeahka Game was awarded the “Excellent Brand Marketing Partner of the Year” by Future FMCG in 2022 for its leading game-based product innovation and outstanding service performance.



Yeahka Game won the “Commercial Value Space” award at the 2022 Internet Technology and Application Expo hosted by the Internet Society of China for its “Yeahka Metaverse Space”.



Yeahka was awarded the “Certificate of Excellence” at the 8th Hong Kong Investor Relations Awards organized by the Hong Kong Investor Relations Association in recognition of the Company’s pursuit of a high standard of investor relations management, which was well recognized and appreciated by the capital market.



Yeahka won the “Corporate Governance Pioneer Enterprise Award” at the 3rd ESG Enterprise Summit of www.cls.cn in 2022 and the “Zhiyuan Award” presentation ceremony of www.cls.cn in 2022 for its outstanding achievements in corporate governance.



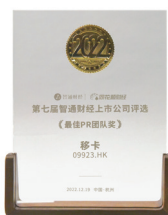
Yeahka achieved a good connection and interaction between merchants and consumers, and has successively deployed multiple value-added businesses. As the most promising company in the Industrial Internet sector, it was awarded the title of “Top 100 Industrial Internet Companies” in the “Qianfeng Awards” contest event on www.ebrun.com.



With the innovation of digitalized ecological services in the field of catering, Yeahka’s subsidiary “Qianqianhui” was listed on the “Innovative Service List” at the 13th Catering Industry Innovation and Entrepreneurship Summit Forum.



Yeahka’s subsidiary “Qianqianhui” won the “Best Operational Scenario Practice Award” in the section of “50 Innovative Scenarios” launched by TMTPOST for its outstanding performance in customer operations.



Yeahka was awarded the “Best PR Team Award” at the 7th “Zhitong Finance Capital Market Annual Conference” jointly hosted by Zhitong Finance, China Galaxy Securities and Tonghuashun Finance for its outstanding contributions to public relations maintenance and corporate brand building over the past year.



## FEATURE TOPIC FOR THE YEAR: LATEST UPGRADE OF YEAHKA BRAND

During the Year, Yeahka officially announced the completion of its brand upgrade, realizing the active strategic evolution after the deployment of the main business. In the future, Yeahka will further focus on our business to better serve all customers.

“Based on the new brand positioning, Yeahka will further focus on the Company’s business, pay attention to the essential needs of merchants and users, help merchants improve operating efficiency with innovative products, help consumers consume better and live better, and continue to build an independent and scalable commercial digitalized ecosystem.”

- Liu Yingqi, the founder and CEO of Yeahka

For this brand upgrade, Yeahka has created a new brand image and brand positioning platform, presenting the latest corporate strategy and business ecosystem of Yeahka with a new attitude:

### Brand image upgrade

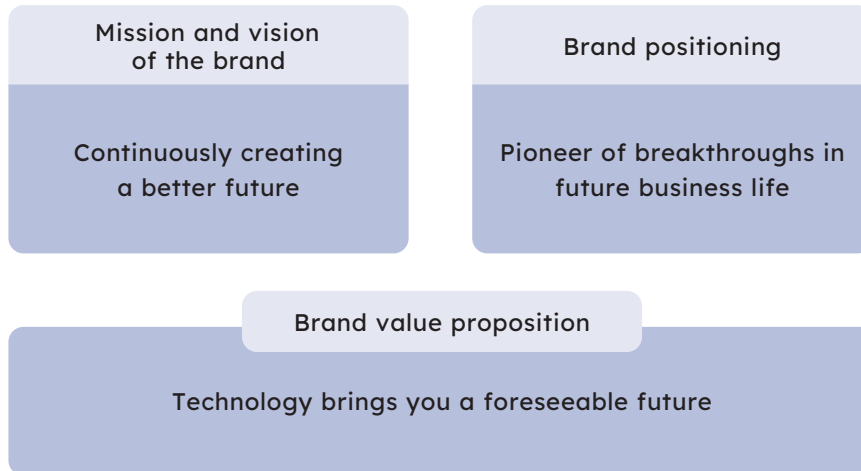
Yeahka has upgraded its brand image with “Focus” as the core concept. The new brand logo features the letter “e” in “Yeahka” resembling a bullseye, representing the brand’s core concept of “focus”. In terms of color, Yeahka uses vivid blue to convey a signal of vitality, highlighting a cutting-edge technology brand image. The solemn black symbolizes the persistence of professionalism, and with a rigorous attitude and innovative technology, Yeahka helps users create the future.

# Yeahka 移卡

# FEATURE TOPIC FOR THE YEAR: LATEST UPGRADE OF YEAHKA BRAND



## Upgrade of the brand positioning platform



Yeahka has upgraded the brand positioning platform, including the mission and vision of the brand, brand positioning, brand value proposition, etc. We are committed to empowering merchants and consumers with the power of continuous breakthroughs through an independent digitalized ecosystem, and helping merchants and consumers better manage and live by sustained technological innovation. In the future, Yeahka will integrate the new brand image and brand positioning into every touchpoint of corporate culture construction, products and services. We will continue to make good use of technological power, develop products and services pragmatically, and continuously create a better future to improve merchant operations and consumer experience.



# CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

## 2.1 ESG GOVERNANCE

Yeahka is well aware that practicing the concept of sustainability is crucial to the Company's long-term development. On the basis of consolidating our business, we have integrated ESG elements into our products and services, actively assuming social responsibilities, exploring a sustainable development governance system, strengthening the sustainable development effectiveness, and seeking a harmonious and win-win situation between the Company's development and the society and the environment.

While continuously improving the Company's ESG governance, we attach great importance to communication and interaction with stakeholders. By actively understanding the expectations and requirements of stakeholders on the Company's sustainable development through various channels, we can better identify development opportunities, facilitate product and business innovation, and build a good relationship of win-win cooperation with stakeholders.

### 2.1.1 ESG STRATEGY

In 2022, Yeahka actively responded to the requirements of the SDGs. Starting from the five key areas of business operations, upstream and downstream partners, users, communities and industries, and the environment, we paid attention to the impact of the Company's development on the environment, society and economy, fulfilled corporate social responsibilities, and integrated the concept of sustainable development into the Company's ESG strategy to create more long-term social value.



#### Business Operations



- The ESG Committee continuously monitors and evaluates sustainability-related risks and opportunities to ensure compliance with industry-related laws and regulations in business operations;
- Adhere to business ethics and safeguard the rights and interests of all stakeholders;
- Create an inclusive, equal and humane working environment for employees and cultivate a diverse and relaxed working atmosphere.

## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022



### Upstream And Downstream Partners



- Continuously improve the standardization and transparency of the procurement process, pay great attention to the social risks associated with the supply chain, provide various compliance and integrity training to partners, and create a good business environment;
- Technology drives innovation in upstream and downstream industries, opening up new employment channels in the post-pandemic era.



### Users



- Listen to user feedback and opinions, ensure the security of user personal information, and protect the original content of KOLs;
- Assist merchants in continuously improving operational efficiency. Digital inclusive finance lowers the marketing threshold for small and medium merchants. Provide advanced merchant solutions with more powerful features;
- Bring aggregated and great value local lifestyle experiences to consumers, allowing people to enjoy a better quality of life.



### Communities & Industries



- Increase investment in public welfare and community development, help farmers operate digitally, set a benchmark for rural revitalization, and promote common prosperity;
- Support the digital upgrade of the industry and jointly build a digital transformation ecosystem with industry partners.



### Environment



- Actively respond to the national call for energy conservation and emission reduction, reduce the environmental impact of our operations, and move towards the “30·60” carbon peak and neutrality goals;
- Integrate green and environmental protection concepts into our product design and actively promote low-carbon lifestyles to consumers;
- Strengthen corporate management of climate change response and help society transition to a low-carbon future.



## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

### 2.1.2 ESG GOALS AND KEY AREAS

Yeahka constantly examines its own sustainable development status and daily operational management. Using SDGs as a guide for action, the Company identifies the ESG goals most relevant to its business and key areas with the most contribution opportunities. Corresponding measures have been taken to optimize the ESG governance model internally and expand social exchanges and cooperation externally to actively assume social responsibilities and contribute to the Company’s sustainable development.

Our Focus on the United Nations Sustainable Development Goals	Key Areas	Responsibility Initiatives
 <p>No poverty</p> <p>End poverty in all its forms everywhere by 2030</p>	<p>Technology aid in building harmonious communities together</p>	<ul style="list-style-type: none"> <li>Rural aid and donations to support rural construction with actual actions</li> <li>“Small Merchant Power (小店力量)” program to support small and micro merchants to promote their brands</li> </ul>
 <p>Good health and well-being</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>Technology sharing to assist in win-win cooperation</p> <p>Technology aid in building harmonious communities together</p>	<ul style="list-style-type: none"> <li>Provision of occupational health and safety training for employees</li> <li>Comforting front-line epidemic prevention personnel, donating anti-epidemic supplies</li> </ul>
 <p>Gender equality</p> <p>Achieve gender equality and empower all women and girls</p>	<p>Technology sharing to assist in win-win cooperation</p>	<ul style="list-style-type: none"> <li>Advocating equality and diversity and caring for the physical and mental health of female employees</li> <li>Provision of courses and training on anti-discrimination and anti-harassment for employees</li> </ul>
 <p>Clean water and sanitation</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p>Technology to reduce emission for a green future</p>	<ul style="list-style-type: none"> <li>Practicing green operation and maintaining a clean and hygienic office environment</li> </ul>
 <p>Decent work and economic growth</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Technology sharing to assist in win-win cooperation</p>	<ul style="list-style-type: none"> <li>Setting up a sound performance appraisal, remuneration and promotion mechanism</li> <li>Setting up a variety of employee training systems</li> <li>Creating a diverse and inclusive work environment</li> </ul>

# CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022



Our Focus on the United Nations Sustainable Development Goals	Key Areas	Responsibility Initiatives
 <p>Industry, innovation and infrastructure</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p> <p>Technology empowerment to lead product innovation</p>	<ul style="list-style-type: none"> <li>• Innovative research and development, continuous improvement of the product matrix</li> <li>• Response to customer needs and provision of high-quality services</li> <li>• Protection of customer privacy and information security</li> </ul>
 <p>Sustainable cities and communities</p>	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>Technology aid in building harmonious communities together</p>	<ul style="list-style-type: none"> <li>• Commitment to charity and support for community building</li> </ul>
 <p>Responsible consumption and production</p>	<p>Ensure sustainable consumption and production patterns</p> <p>Technology empowerment to lead product innovation</p> <p>Technology sharing to assist in win-win cooperation</p>	<ul style="list-style-type: none"> <li>• Effective integration of ESG factors into supplier evaluation and management process</li> <li>• Strengthening integrity management and creating a responsible supply chain</li> </ul>
 <p>Climate action</p>	<p>Take urgent action to combat climate change and its impacts</p> <p>Technology to reduce emission for a green future</p>	<ul style="list-style-type: none"> <li>• Practicing green operations, advocating energy conservation and emission reduction</li> <li>• Identification of and response to climate change risks and opportunities</li> </ul>
 <p>Peace, justice and strong institutions</p>	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <p>Enhance corporate responsibility in 2022</p>	<ul style="list-style-type: none"> <li>• Formulation of the “Sunshine Code of Conduct” to ensure the compliant operation</li> <li>• Active training and advocacy on anti-corruption and anti-money laundering</li> </ul>
 <p>Partnerships for the goals</p>	<p>Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</p> <p>Technology empowerment to lead product innovation</p>	<ul style="list-style-type: none"> <li>• Win-win cooperation with suppliers and agents by promoting digital transformation of the industry</li> </ul>





## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

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### 2.1.3 BOARD'S STATEMENT

The Company attaches great importance to ESG management, organically integrates sustainable concepts such as green and low-carbon, product innovation, employee development, public welfare and charity into the Company's development strategy, continues to promote the Company's sustainable development, and fulfills its corporate social responsibilities.

We continue to improve the Company's ESG governance level, and implement ESG management responsibilities through a scientific and effective ESG governance framework. Yeahka has set up an ESG Committee at the Board level, which is responsible for supervising ESG risk assessment and other related matters, participating in the formulation and promotion of ESG strategies, and allocating resources to ensure the effective operation of ESG management. The ESG working group under the committee is responsible for assisting the ESG Committee in determining ESG issues that have a significant impact on stakeholders, formulating ESG-related goals and reviewing the Company's performance in terms of such goals, and disclosing the above contents in a report. The ESG Committee is responsible for reviewing and formally approving the annual ESG report.

In addition, we continue to optimize the Company's internal ESG workflow and integrate ESG management into the Company's daily operation management. Looking forward to the future, while improving our products and constantly innovating, we will practice the concept of green operation, care about the development of employees and social well-being, and join hands with internal and external stakeholders to create a sustainable and better future.

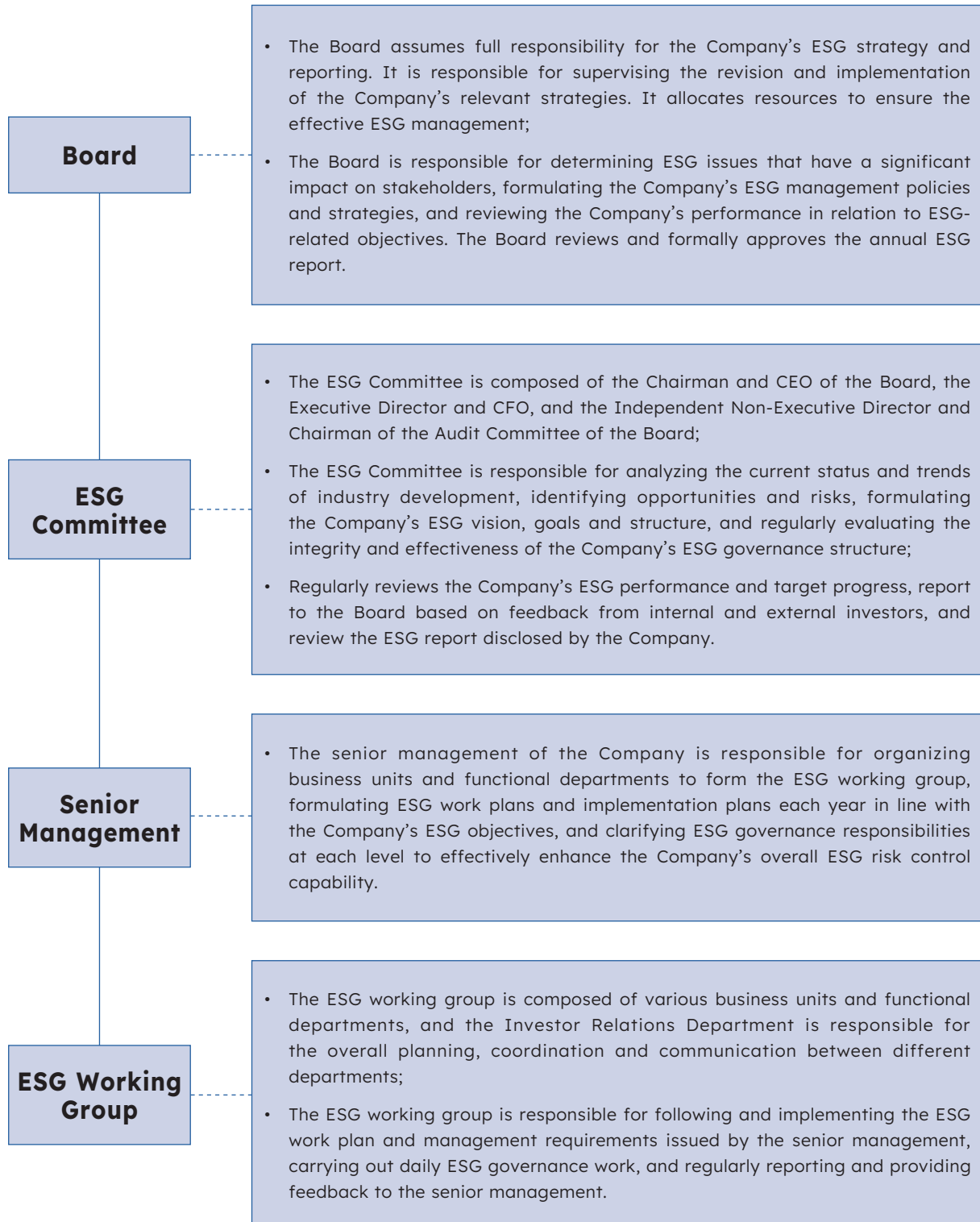
### 2.1.4 ESG GOVERNANCE STRUCTURE

Yeahka conscientiously implements sustainable development management and practice and builds a rigorous ESG governance structure. By clarifying the main responsibilities of each level within the structure, the Company forms a top-down, closely linked sustainable development organizational system to advance the systematization and standardization of the Company's sustainable development work, providing a strong organizational guarantee for the implementation of ESG strategy.

## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022



The specific roles and responsibilities of the Company's ESG governance structure are as follows:








## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

### 2.2 COMMUNICATION WITH STAKEHOLDERS





#### 2.2.1 COMMUNICATION WITH ESG STAKEHOLDERS

Over the years, Yeahka has been continuously promoting and implementing sustainable development work. We have established a sound communication and participation mechanism for stakeholders so that we are able to collect, sort and analyze stakeholder expectations and demands from multiple channels. We have been actively responding to SDGs, continuously improving the ESG governance structure and operational level, and improving stakeholder participation in practice, striving to achieve common growth with stakeholders.

TYPE OF STAKEHOLDERS	DEMANDS AND EXPECTATIONS	COMMUNICATION AND RESPONSE
Users 	<ul style="list-style-type: none"> <li>• Sound customer service</li> <li>• Information security and user privacy</li> <li>• Protection of basic rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the quality of products and services</li> <li>• Fulfill the user confidentiality agreement</li> <li>• Communicate through multiple online and offline channels</li> </ul>
Merchants 	<ul style="list-style-type: none"> <li>• Industrial upgrading</li> <li>• Long-term and stable cooperation</li> <li>• Diversified products</li> <li>• Prevent business risks</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate digital transformation</li> <li>• Establish regular communication mechanisms</li> <li>• Technological innovation</li> <li>• Industry research</li> </ul>
Investors and shareholders 	<ul style="list-style-type: none"> <li>• Return on investment</li> <li>• Innovative development</li> <li>• Protection of rights and interests</li> <li>• Corporate transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Improve profitability</li> <li>• R&amp;D and product innovation</li> <li>• Holding shareholder meetings</li> <li>• Regular reporting and corporate announcements</li> </ul>

## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022



TYPE OF STAKEHOLDERS	DEMANDS AND EXPECTATIONS	COMMUNICATION AND RESPONSE
<p>Internal employees</p> 	<ul style="list-style-type: none"> <li>• Remuneration and benefit package</li> <li>• Work skills improvement</li> <li>• Employee care</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a reasonable salary and benefits system</li> <li>• Establish a talent development mechanism</li> <li>• Conduct employee activities</li> </ul>
<p>Government and regulatory agencies</p> 	<ul style="list-style-type: none"> <li>• Compliance with national laws and regulations</li> <li>• Compliant operation</li> <li>• Contribution to local economic development</li> </ul>	<ul style="list-style-type: none"> <li>• Operate in compliance with laws and regulations</li> <li>• Accept supervision and assessment</li> <li>• Actively participate in employment stabilization activities</li> </ul>
<p>Suppliers and partners</p> 	<ul style="list-style-type: none"> <li>• Comply with business ethics</li> <li>• Fair competition</li> <li>• Mutual benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Strict audit and management</li> <li>• Strategic cooperation negotiation</li> <li>• Regular communication and exchange</li> </ul>
<p>Non-profit authorities/ organizations</p> 	<ul style="list-style-type: none"> <li>• Community development and progress</li> <li>• Charity</li> </ul>	<ul style="list-style-type: none"> <li>• Co-organize community activities</li> <li>• Participate in public welfare activities</li> </ul>

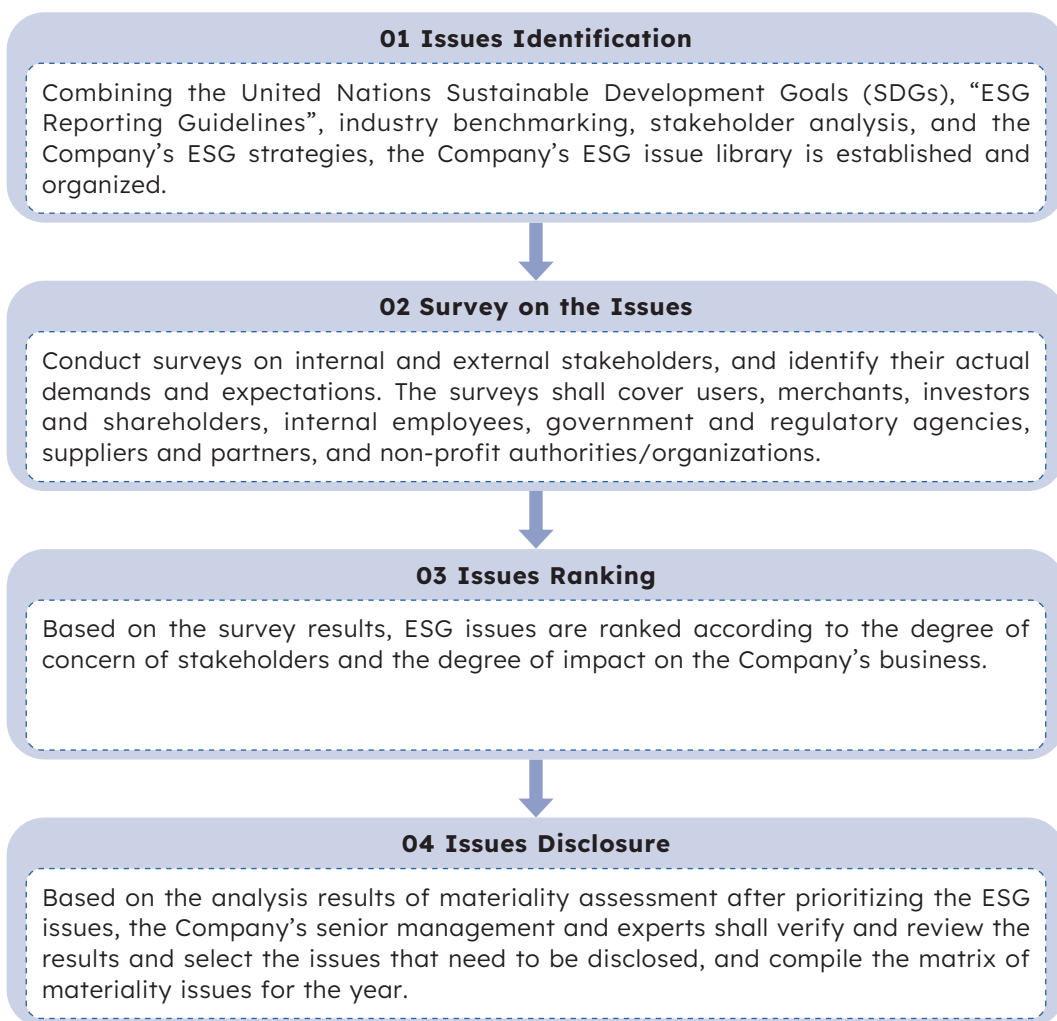


## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

### 2.2.2 MATERIALITY ASSESSMENT OF ESG ISSUES

Based on the United Nations Sustainable Development Goals (SDGs), the “ESG Reporting Guidelines” of the Hong Kong Stock Exchange, and other requirements, we have consulted with various stakeholders to identify and prioritize ESG issues for the Year, taking into account the Company’s current situation and industry concerns. Thus, we can better respond to stakeholders’ demands and expectations while clarifying the direction of our ESG strategy and disclosure priorities.

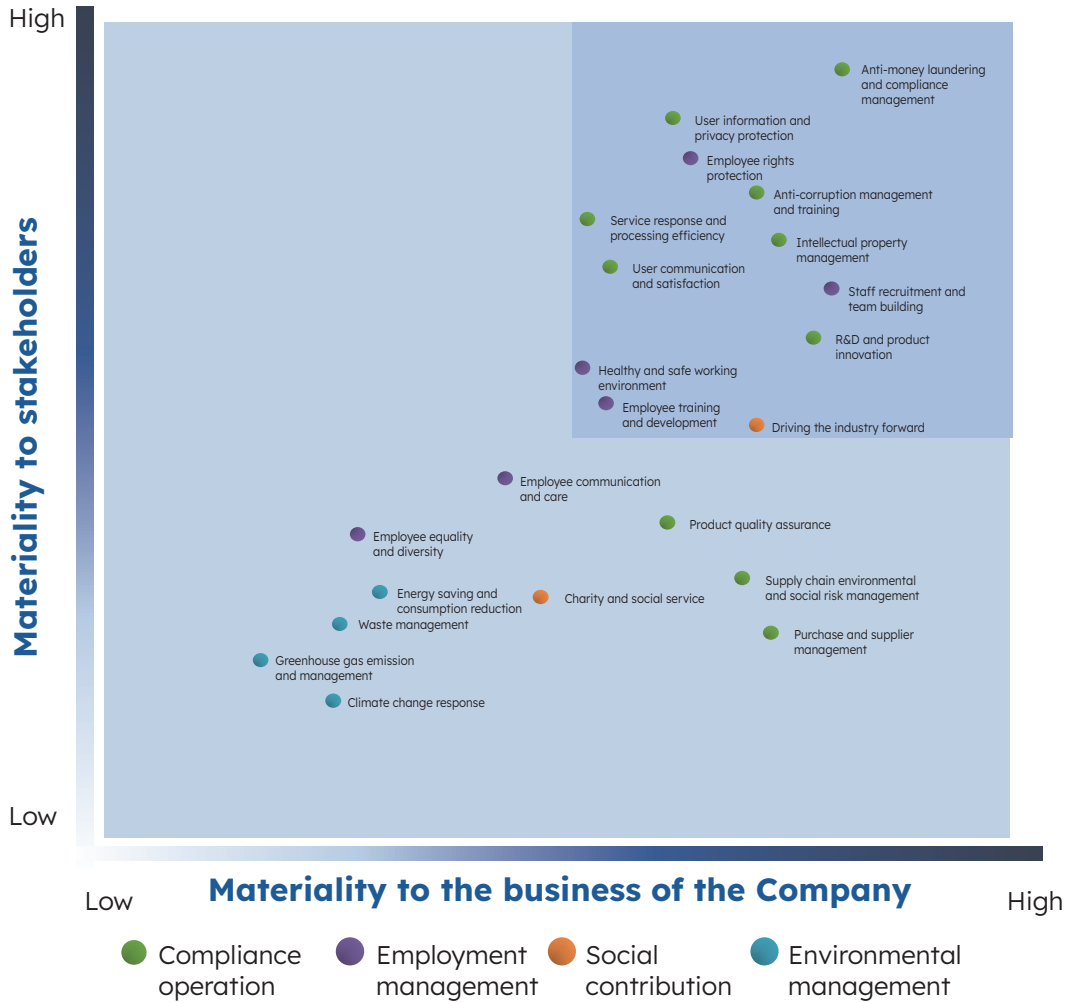
The process of materiality assessment of ESG issues of Yeahka for the Year is as follows:



# CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022



The matrix and ranking of ESG materiality issues for 2022 are as follows:





## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

<b>Very important</b>	Anti-corruption	Anti-money laundering and compliance management
	Employment	Staff recruitment and team building
	Anti-corruption	Anti-corruption management and training
	Product liability	Intellectual property management
	Product liability	R&D and product innovation
	Product liability	User information and privacy protection
	Community investment	Driving the industry forward
	Employment	Employee rights protection
	Product liability	Service response and processing efficiency
	Product liability	User communication and satisfaction
	Health and safety	Healthy and safe working environment
	Employment	Employee training and development
<b>Important</b>	Employment	Employee communication and care
	Product liability	Product quality assurance
	Supply chain management	Supply chain environmental and social risk management
	Community investment	Purchase and supplier management
	Community investment	Charity and social service
	Employment	Employee equality and diversity
<b>Less important</b>	Resource usage	Energy saving and consumption reduction
	Emission	Waste management
	Emission	Greenhouse gas emission and management
	Climate change	Climate change response



In 2022, the Company continued to use the 22 ESG issues in 2021. Compared with last year's materiality assessment results, compliance operation and employment management are still the most important areas, including anti-money laundering and compliance management, staff recruitment and team building, anti-corruption management and training. The Company will continue to focus on relevant issues in the future ESG management and disclose relevant content in this Report to respond to the concerns of stakeholders.

### 2.3 CORPORATE GOVERNANCE

The Company strictly abides by the laws and regulations of the place of operation. We have formulated the "Risk Management Internal Control System", the "Anti-Money Laundering and Anti-Terrorist Financing Internal Control System", the "Sunshine Code of Conduct" and other systems in accordance with the "Anti-Money Laundering Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China" and other laws and regulations, so as to continuously improve compliance and risk management, and enhance the Company's risk control capabilities against violations of laws and regulations. We properly respond to emerging risks such as network security, and continuously carry out anti-corruption and anti-money laundering related publicity and training, achieving compliance operations within the Company, creating an honest, trustworthy and clean corporate culture, and safeguarding the sustainable development of the Company.

#### 2.3.1 IMPROVING COMPLIANCE MANAGEMENT

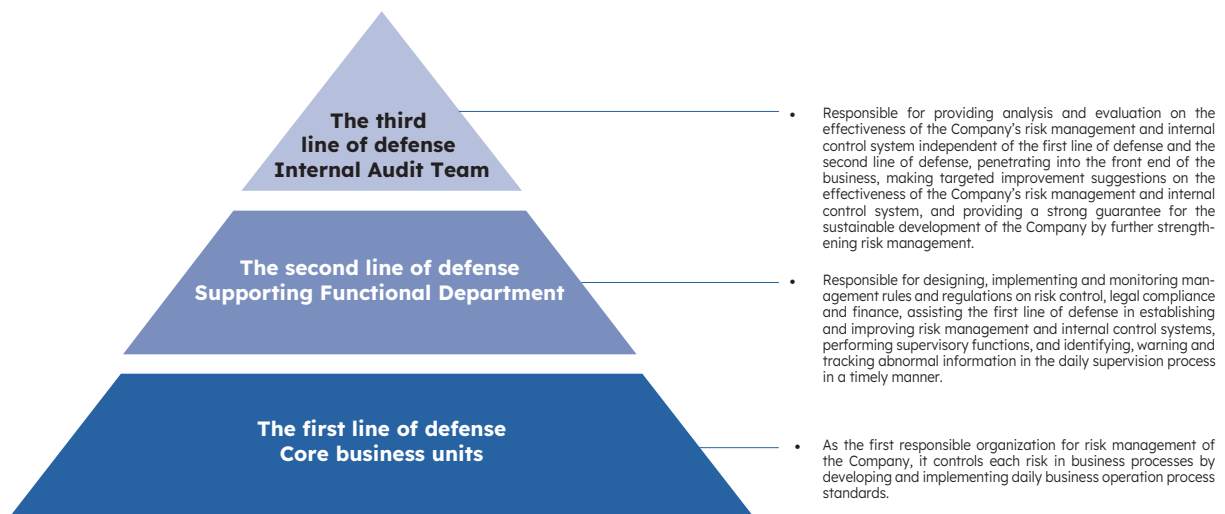
The construction of a compliance management system is crucial to the development of the Company. The Company has established the Risk Management Committee and stipulated it as the highest decision-making body of the Company's risk management. It is responsible for formulating and continuously improving risk control regulations such as the "Risk Management Internal Control System", standardizing the Company's risk management process, coordinating risk management work of various departments, and strengthening the Company's risk management capabilities. The Risk Management Committee regularly reports on the progress of risk management work to the Board and the Audit Committee to ensure the Company's legal and compliant operations.





## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

The Company has established three lines of defense for risk management and internal monitoring system. By coordinating with core business departments, functional departments and internal audit teams, the Company identifies and manages risks throughout the entire process from business opportunity identification, business contract signing, and professional service provision to service project delivery, systematically regulating the Company's operations and reducing the occurrence of violations.



*Three lines of defense for risk management and internal control system*

In 2022, we formulated the “Internal Audit System” in accordance with the relevant laws and regulations to clarify the responsibilities and work permissions of the internal audit organization and personnel. At the same time, it sorts out the internal audit work process and files management methods, comprehensively improving the system construction of the third line of defense, fully leveraging the positive role of internal audit in the Company's risk management, ensuring the comprehensiveness and effectiveness of the Company's internal control and risk management system, and effectively enhancing the Company's ability to manage and control risks.

### 2.3.2 PREVENTING MONEY LAUNDERING RISKS

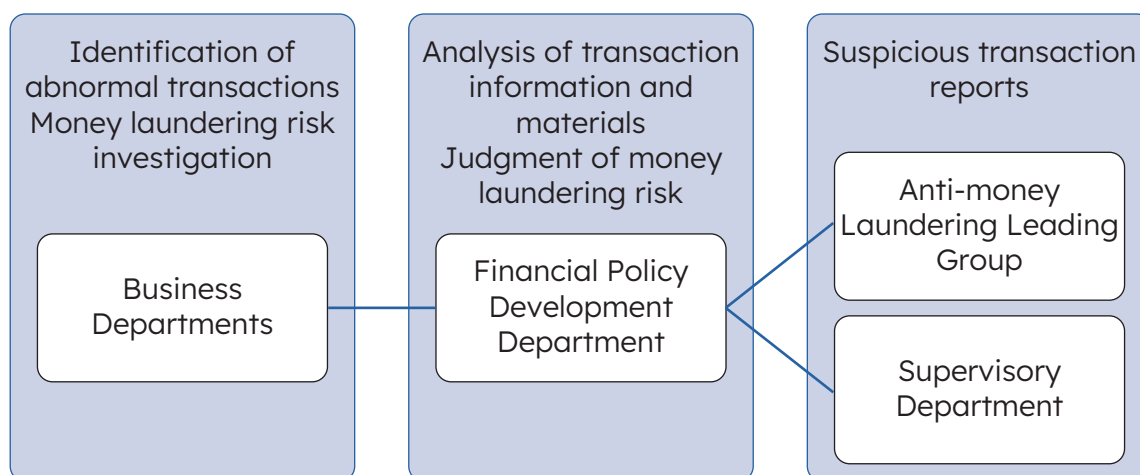
The Company attaches great importance to anti-money laundering and anti-terrorist financing management. We have formulated the “Anti-Money Laundering and Anti-Terrorist Financing Internal Control System”, the “Anti-Money Laundering Internal Reporting System”, and other systems in accordance with the laws, regulations and regulatory requirements such as the “Anti-Money Laundering Law of the People's Republic of China”, the “Measures for the Administration of Anti-Money Laundering and Anti-Terrorist Financing of Payment Institutions”, and the “Notice of the People's Bank of China on Strengthening the Identification of Anti-Money Laundering Customers”. Engaging in money laundering is strictly prohibited for the Company or any employees. A systematic financial compliance management system is established.

## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

In order to strengthen the Company's anti-money laundering risk management capabilities and respond to various new anti-money laundering regulations in a timely manner, the Company optimized the anti-money laundering organizational structure in 2022. The specific responsibilities are as follows:

- Executive Directors: assume ultimate responsibility for money laundering risk management, supervise the establishment of the Company's anti-money laundering internal control system, and review reports on major anti-money laundering matters;
- Anti-money Laundering Leading Group: the general manager serves as the group leader, and the group members are composed of heads from various business and functional departments, responsible for overseeing, guiding and coordinating the Company's anti-money laundering work. Among them, the Financial Policy Development Department, as the main department responsible for the Company's anti-money laundering work, has specially set up an anti-money laundering group to perform daily tasks under the guidance of the leading group and ensure the implementation of various work requirements for anti-money laundering.

The Company gradually establishes and improves various anti-money laundering internal control systems and work mechanisms, and continuously manages money laundering risks in a closed loop from multiple links such as customer identity information recognition, customer risk rating and classification management, suspicious transaction alert review, and list retrospective monitoring. Whenever any link is abnormal, the relevant business department will investigate and analyze the situation immediately. If the money laundering suspicion cannot be ruled out, the relevant department will report to the Financial Policy Development Department, and the anti-money laundering commissioner will judge the customer's money laundering risk based on relevant materials and information. If it is confirmed to be a suspicious event, the commissioner will report to the Anti-money Laundering Leading Group, submit a suspicious transaction report to the supervisory department, and coordinate with relevant departments to carry out follow-up actions. In 2022, the Company did not experience any violations of laws and regulations related to money laundering.



Flow chart of abnormal transaction judgment by Yeahka



## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

In order to further implement anti-money laundering work, the Company has adopted innovative technological measures in various anti-money laundering control links, strengthening the ability to manage money laundering risks and improving business operation efficiency:

### 1. Merchant entry verification

- **Intelligent identity verification:**  
The Company uses image recognition and other technologies to verify the qualifications of merchants, realizing remote non-contact intelligent identity verification, improving audit efficiency, and verifying customer identities from the source to prevent money laundering risk;
- **Risk correlation monitoring:**  
The Company inquires about the merchants' risk relationship network through the correlation mapping platform to achieve correlation monitoring of access data such as merchant ID cards, settlement cards, and business licenses. It identifies, judges, and intercepts merchants with gambling and fraud risks in the merchant entry process.

### 2. Transaction risk monitoring

- **Rule engine monitoring:**  
The Company launches a risk control rule engine at the merchant transaction stage to monitor abnormal transactions and intercepts risky transactions in real-time. Focusing on breaking through transaction risk control difficulties such as gambling, fraud, and illegal fundraising, we have solved pain points in traditional risk control work including limited dimensions of rules and information, easily breakable rules and conditions thresholds, and extremely high labor costs;
- **Consumer behavior analysis:**  
We track consumer behavior through merchant transaction data and analyze whether consumer transactions have abnormal relationships with merchant accounts and aggregate risks, further improving the ability to prevent gambling risks.

### 2.3.3 STRENGTHENING INTEGRITY MANAGEMENT

Yeahka adheres to “integrity and responsibility” as the basic principle of its operations. In 2022, we formulated the “Sunshine Code of Conduct” to regulate employees’ work behavior. We put forward the self-discipline norms of “adhering to the customer first, adhering to integrity, emphasizing transparency and efficiency, and cultivating global awareness”, clearly defining serious behaviors such as corruption and bribery as “Yeahka high-voltage line”, and promising zero tolerance for any red line behavior.

## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022



In 2022, the Company officially launched the Yeahka public reporting email for reporting illegal and disciplinary violations in the workplace, providing a channel for reporting violations of laws and regulations. The Company has dedicated full-time personnel to manage the reporting email, strictly kept the whistleblower's information confidential, and prevented the leakage of the whistleblower's information. At the same time, we severely crack down on all acts of retaliation against the whistleblower. After receiving the report, the Company will initiate an investigation team to investigate and verify any suspected behavior that touches the high-voltage line. If the violation is confirmed, the investigation team will issue a responsibility determination and opinion, and hand it over to the relevant unit for follow-up actions. Anyone who touches the "Yeahka high-voltage line" will be expelled from the Company and never hired again. For external companies and individuals involved in red-line incidents, Yeahka will immediately terminate cooperation and blacklist them. If the relevant behavior violates laws and regulations and meets the standards for filing a case, the Company will lawfully transfer the relevant personnel to the judicial authorities. No major concluded legal cases regarding corrupt practices brought against the Company or its employees were recorded during the Year.

To further improve the construction of the corporate compliance system and strengthen employees' compliance awareness, the Company has carried out various forms of compliance training and publicity during the Year. In July 2022, the Company issued the "Sunshine Code of Conduct" to all employees, and conducted relevant training on the code with a training coverage rate of 100%. In addition, we require management cadres to lead by example in compliance issues, set an example for general employees, and build a solid line of defense for integrity and self-discipline. We combined online and offline methods to provide compliance and risk management training for directors and senior management, covering relevant laws and regulations and typical cases such as anti-corruption, anti-money laundering, anti-fraud, etc., with a training coverage rate of 100%.



*Yeahka's anti-corruption training in 2022*

In the future, the Company will continue to carry out anti-corruption and compliance-related publicity and training through online and offline channels, deeply implant the concept of "integrity and responsibility" in the heart of every Yeahka employee to create a culture of honesty and integrity and safeguard the steady development of the Company.



## CHAPTER II ENHANCE CORPORATE RESPONSIBILITY IN 2022

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### 2.3.4 PREVENTION OF EMERGING RISKS

In the process of improving the Company's internal governance and strengthening external communication, we have also identified and evaluated emerging risks in the social and environmental aspects that may impact the Company's long-term development and social progress. We have taken corresponding measures to prevent and mitigate them during operations.

Over the past few years, various industries have accelerated their digital transformation. As people's reliance on digital systems increases, cyber security threats are gradually intensifying. Emerging cyber security attacks often take advantage of common defense weaknesses and security loopholes in technology companies. If not timely and effectively addressed, they may affect the continuity of the Company's business operations and reduce consumers' confidence in the Company's digital services. Relevant surveys by the World Economic Forum (WEF) show that cyber security risks will continue to test the global digital systems in the next three to five years.

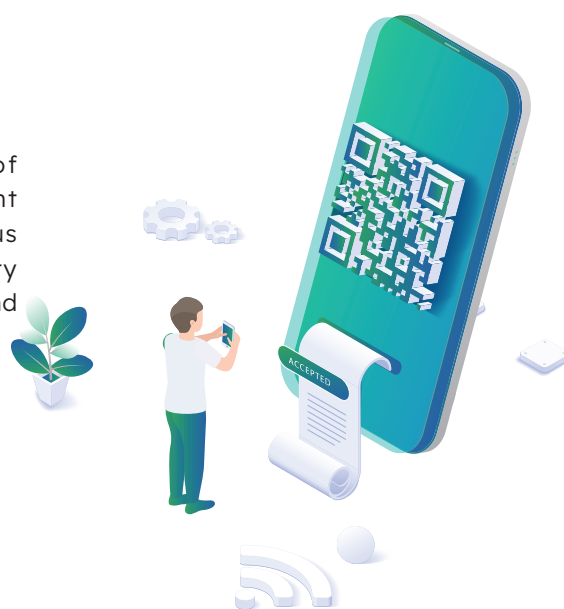
In order to better respond to cyber security risks, Yeahka has established an information security department to build an effective security protection system in advance, adhering to operating specifications to ensure daily security operations. The Company also closely cooperates with industry-leading information security suppliers, using professional techniques to improve risk control capability and effectively intercept risks. In addition, the Company strictly abides by regulatory requirements, and adopts the guidance on technology risk supervision from regulatory authorities. We share security information with banks and other financial institutions to obtain advanced knowledge of new types of network attacks and effectively prevent risks.

Climate change is also an emerging risk that significantly impacts us. In the face of the risks brought by climate change, the Company fully refers to the Task Force on Climate-related Financial Disclosures (TCFD) framework to further improve the ESG governance structure and the identification and management process of climate risk. We regularly evaluate potential climate change risks and opportunities, formulate response measures and implement them conscientiously. For specific details, please refer to the relevant content of "6.1 Response to Climate Change" in this Report.



## TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

Yeahka has always focused on the needs of merchants and consumers. With an independent commercial digitalized ecosystem and continuous technological innovation, we provide high-quality products and excellent services to help merchants and consumers operate and live better.



### Key Points of the Chapter:

- Established one-stop payment collection platform to help merchants operate more conveniently
- Cooperated with a number of domestic-leading commercial banks, Huawei's Kunpeng Cloud and other enterprises to jointly promote the implementation of digital currency
- Successfully obtained ISO 10002 customer complaint management system certification
- Incorporated the privacy protection policy into the Company's risk compliance management system and strengthened APP security research and development, with 4 APPs passing the financial security certification of CFCA

The United Nations Sustainable Development Goals (SDGs) Responed by this Chapter





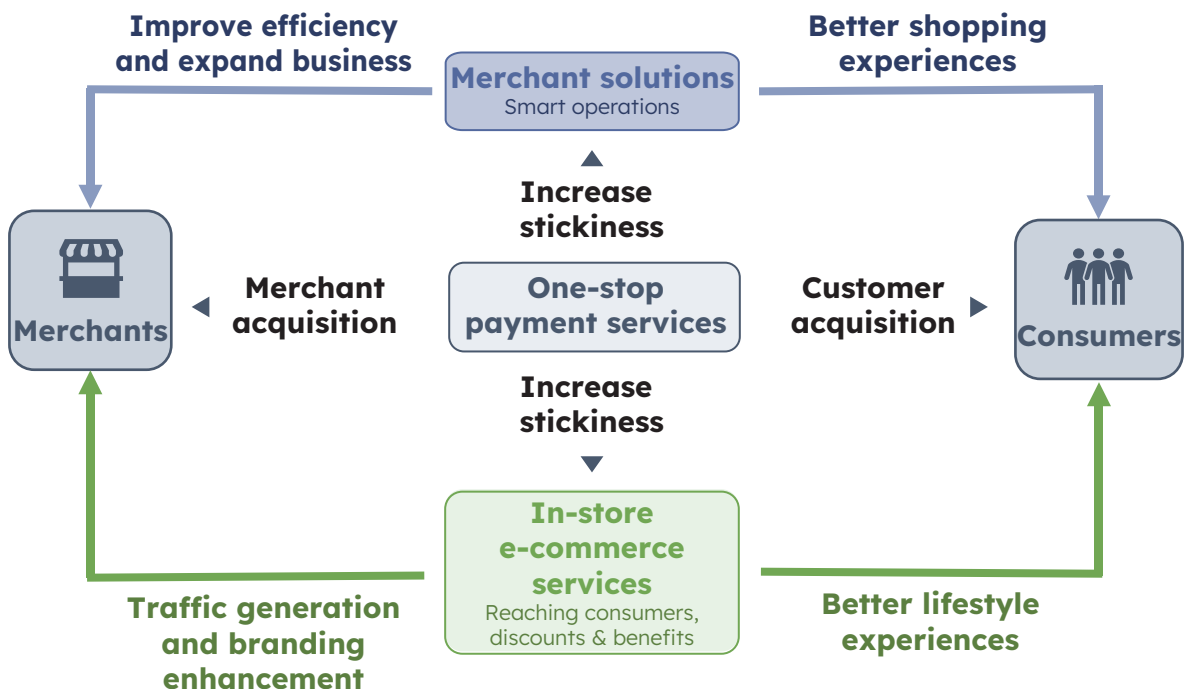
## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

### 3.1 R&D OF INNOVATIVE PRODUCTS

Yeahka, as a leading payment-based technology company, is committed to realizing seamless, convenient and reliable payment transactions between merchants and consumers. Our payment business has the advantages of extensive geographical coverage and diversified sales channels, which integrates the merchant solutions business into payment applications to assist merchants in realizing digital operation of offline business and create a one-stop experience for merchants. In addition, we provide consumers with value-for-money and interesting local lifestyle experiences through in-store e-commerce services, realizing two-way contact between merchants and consumers. At the same time, we attach great importance to technological development, and continue to increase investment in R&D to provide merchants and consumers with a rich and diverse product portfolio. Through continuous improvement of the product matrix and diversified channels, we can meet the needs of different customers in a timely manner while adapting to changes in the industry.

#### 3.1.1 SMART PRODUCTS AND SERVICES

Under the trends of digitalization, the Company seamlessly connects merchants and consumers through different types of payment services, and provides merchants with comprehensive digital solutions. We constantly adapt to the changing market environment and actively explore innovative payment services. We are committed to creating an independent and scalable commercial digitalized ecosystem. We aim to provide merchants and consumers with more efficient and convenient payment methods, satisfying different payment needs and deepening the connection between merchants and consumers while improving customer experience.



*An independent and scalable commercial digitalized ecosystem*



### **One-stop Payment Services**

One-stop payment services are the basis for Yeahka to build a commercial digitalized ecosystem. As an entry point for merchant traffic, it provides important support for merchant solutions and in-store e-commerce services. Through the establishment of cooperative relations with many Independent Software Vendors (ISV), fourth-party payment, financial institutions, etc., the Company has built a payment infrastructure platform with high flexibility and wide applicability, providing seamless, convenient and reliable payment services for merchants and consumers.

The Company continues to promote the systematic upgrading of product and service capabilities, empowers businesses with innovative technology, and provides diversified payment methods and high-quality digitalized services. During the Year, we have optimized and upgraded multiple brand applications such as Shouyintong (收銀通), Leyunfu (樂雲付), Shoukuanbei (收款唄) and Shoufubei (收付唄) to meet customers' fund management needs for settlement at different times and instant payment. At the same time, we continue to increase investment in in-store e-commerce segment, and optimize the transaction structure. By building an open platform for value packages, we connect merchants and consumers in both directions to provide more value-added services and promote the operation efficiency of physical merchants. In the future, we will continue to expand on DC/EP payment user scenarios. We will also continue to strengthen distribution channel by further diversifying our independent sales agents base and bolstering our partnerships with banks, while acquiring corresponding payment licenses in the United States, Singapore, and Hong Kong to leverage our domestic payment expertise in overseas markets.

The Company has spent great efforts in developing joint merchant acquiring services with 115 commercial banks to benefit from their offline network and overlay our service capabilities. At the same time, leveraging the multi-level national sales network of independent sales agents, together with the bank's nationwide network and merchant resources, we assist merchants in opening bank accounts and setting up payment channels, further penetrating the wider long tail market and providing merchants with payment convenience. In addition, the Company actively participates in the planning and design of digital currency technical standards, and jointly promotes the implementation of digital currency in Shenzhen, Beijing, Shanghai and other cities with many leading commercial banks in China. We facilitate the diversification and digitization of payment services by providing pilot application scenarios in the fields of catering and accommodation, communication services, medical and health services, and government services. In 2022, the Company's payment collection product Shouyintong (收銀通), cooperated with Huawei's Kunpeng Cloud to carry out digital RMB business to help the Company's business expansion and brand recognition.

#### **In 2022**

- We had nearly **18,000** independent sales agents and partnered with over **3,000** cloud payment partners through application programming interface (API)
- The number of active payment service merchants using one-stop payment services reached over **8.1 million**



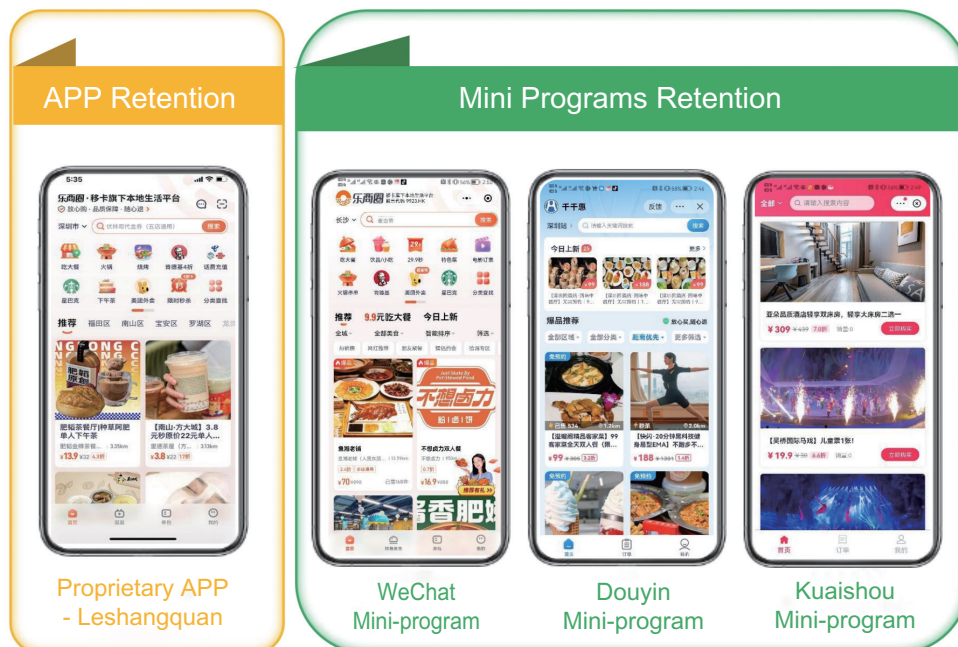


## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

### ***In-store E-commerce Services***

The Company rationally utilizes the resources and capabilities of the existing commercial digitalized ecosystem, gradually broadens the operation channels, and awakens the potential needs of consumers simultaneously to continue to expand and improve the in-store e-commerce services, and strengthen the connection between merchants and consumers. By promoting the interaction between the two parties in the bilateral market, we strive to create a vibrant business community, help local merchants develop, and optimize the consumer experience.

On the merchant side, the Company continues to help merchants deeply understand and learn market trends and consumer behaviors. We continuously improve commercial infrastructure and expand the coverage of the Company's in-store e-commerce services. Content creation and mainstream media promotion of the Company's precision marketing services are important capabilities for in-store e-commerce services. With the help of KOL matching, advertising, live broadcast and other diversified operation methods and capabilities, the Company publishes and promotes recommendation marketing resources on our self-operated App and traffic platforms such as Douyin, WeChat, and Kuaishou. These marketing resources include graphic and text creation, promotional material writing, live broadcast, recommendation short videos, etc., which effectively enhance merchant popularity and exposure, and further reduce customer acquisition costs for both the platforms and merchants.



*In-store e-commerce services – e-commerce + multi-platform user precipitation and operation*

## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION



On the consumer side, the Company conducts an in-depth analysis of consumer preferences and the competitive landscape in areas such as catering, hotel tourism, and leisure vacation. We accurately identify consumer labels and push local merchant discounted packages through payment infrastructure platforms, fully utilizing existing resources to efficiently convert and retain consumer traffic. At the same time, the Company actively utilizes merchant supply chain resources to explore the co-construction of delivery business solutions, and provides consumers with better local lifestyle packages and discounts through proprietary App and cooperative traffic platforms such as WeChat, Douyin, and Kuaishou. We are committed to providing consumers with exclusive, interesting, cost-effective local lifestyle experiences.

### ***Merchant Solutions***

The Company provides merchant solutions to small and medium merchants, and actively helps merchants promote the digitization of their offline business operations. We have a number of proprietary functional modules and ecosystem partner functional modules. These innovative modules can empower merchants, and we are committed to solving the business needs of different types of merchants. In response to the difficulties of offline operation of small and medium merchants under the impact of COVID-19, we use digitalized operation tools to help merchants effectively reduce costs. In addition, our product interface is simple and intuitive, and merchants can seamlessly access the merchant solution module through the payment App. While creating a one-stop experience, we cultivate merchants' habits of using digitalized solutions that can effectively improve operational efficiency.



# CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

## 3.1.2 TECHNOLOGY DEVELOPMENT

Yeahka has established a technical committee as the Company’s technical decision-making organization to build and improve the Company’s technical system. The Company continuously strengthens the cultivation of technical talent and cultural development and dedicates efforts to building a first-class technical team to lead the Company in grasping new trends in future technological development. We actively explore innovative technologies to empower the existing commercial digitalized ecosystem and proactively adapt to the development and changes of the industry. By continuously optimizing technical structures such as transaction settlement, private cloud, and big data, Yeahka continuously promotes the systematic upgrading of products and services, and the implementation of digital applications. We provide multi-directional digital services, expand our business scope, and optimize the user experience of merchants and consumers, thereby creating a high-quality service brand image and ensuring the sustainable development of the payment business.

During the Year, our key R&D progress is as follows:

<ul style="list-style-type: none"> <li>Completed the construction of 100 million-level customer accounts, instant cash withdrawals and instant subsidies, and instant settlement capabilities of 100 million-level;</li> <li>Completed the construction and initial application of the Fenrun 2.0 system, and completed the basic transformation of the partner’s payment system.</li> </ul>		<ul style="list-style-type: none"> <li>Completed the research and development and launch of the driftable file system, improving the IO capability of the private cloud;</li> <li>The cloud database realized the separation of storage and computing, and equipment and resource pooling further improved resource utilization.</li> </ul>
<ul style="list-style-type: none"> <li>Built a computing platform separating storage and computing, making use of idle machines to explore computing power;</li> <li>Constructed the user portrait service, providing more than 2 billion tags for various merchants.</li> </ul>		<ul style="list-style-type: none"> <li>Strengthened the R&amp;D of APP security, with 4 APPs passing the financial security certification of CFCA;</li> <li>80% of APPs have a hotpatch function.</li> </ul>
<ul style="list-style-type: none"> <li>In the field of local lifestyle, the package evaluation and selection system saves labor costs and achieves efficient and accurate screening;</li> <li>For short videos, video smart cloud editing can be done within 1 minute, catching up with commercial standards;</li> <li>In terms of AIGC, AI tools with more than 10 functions have been successfully developed to enrich the content base and improve efficiency;</li> <li>Sharing technology to implement and put into use on the newly created open cloud platform.</li> </ul>		<ul style="list-style-type: none"> <li>Built a customer service platform and work order management system, increasing the per capita efficiency of customer service by more than 50%;</li> <li>Built an integrated platform for research, measurement and maintenance, greatly improving R&amp;D, quality, and operation and maintenance collaboration efficiency.</li> </ul>

## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION



At the same time, Yeahka attaches great importance to the improvement of employees' professional abilities. This Year, guided by "Technological Innovation and Value Creation", the Technology Center carried out the "Innovation and Entrepreneurship Boosting Growth Plan" talent training program for all center members. The program comprehensively assisted in the growth of employees with the "Semi-annual Growth Project" as the thrust and the "Innovation and Entrepreneurship Evaluation" as the pulling force supplemented by training sharing and documents to accumulate knowledge. At the same time, we take the "Yeahka Lecture" as the main online training position to provide professional training for all employees of the Company. During the Year, a total of 21 technical sharing sessions were arranged. In addition, we organized a total of 107 department-level technical training sessions within each department. The Yeahka technology account published nearly 50 technical articles and 362 technical documents on project cases, knowledge and skills, and R&D processes for technology precipitation. Employees' technical knowledge level has been comprehensively improved across all phases including demand generation, development, testing, acceptance, laying a solid foundation for the Company's technological development.



*Yeahka Lecture*

### 3.1.3 PRODUCT QUALITY ASSURANCE

Yeahka is committed to providing high-quality products and implementing strict quality control throughout R&D projects and daily operations. The Company has formulated detailed "Project Quality Evaluation Standards" and set up corresponding quality control nodes and indicators in our product design, development, testing, release and other steps. We precisely measure each indicator's weight and scoring standards to understand the actual situation of each stage of the product and carry out targeted quality management work. At the same time, we arrange quality control personnel to regularly classify and develop corresponding processing specifications for issues in each business line, ensuring timely responses to guarantee product quality and user experience.



## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

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### 3.1.4 INTELLECTUAL PROPERTY PROTECTION

The Company strictly abides by the “Patent Law of the People’s Republic of China”, “Trademark Law of the People’s Republic of China”, “Copyright Law of the People’s Republic of China”, and other laws and regulations, attaches great importance to the protection of intellectual property rights, and continuously strengthens the protection of trade secrets, trademarks, patents, copyrights, etc. We apply for registration promptly to protect intellectual property rights and uniformly record similar graphics and similar names to strictly prevent infringements. At the same time, in the process of software product development, we timely register the software copyright of software products and codes, and conduct a comprehensive analysis of the intellectual property rights involved in various new products before they are premarket, so as to protect our own intellectual property rights and avoid violating the rights of others. In addition, we will sign corresponding confidentiality agreements with employees and partners, and strictly protect key technologies by objects, regions, and classification levels to prevent the risk of leakage of our own business secrets. In 2022, Yeahka was granted 2 appearance patents, 24 software copyrights, and 56 trademark registrations.

### 3.2 PROVISION OF QUALITY SERVICES

The Company adheres to the goal of providing high-quality products and services for customers and regards enhancing customer satisfaction as an important factor in promoting the development of the Company. We have established various channels to listen to user feedback, and timely optimize and innovate products and services based on user experience. While ensuring customers’ legitimate rights and interests and meeting their basic needs, we strive to provide them with safer, more secure and better-quality products and services.

#### 3.2.1 PROVIDE HIGH-QUALITY SERVICES BASED ON USER NEEDS

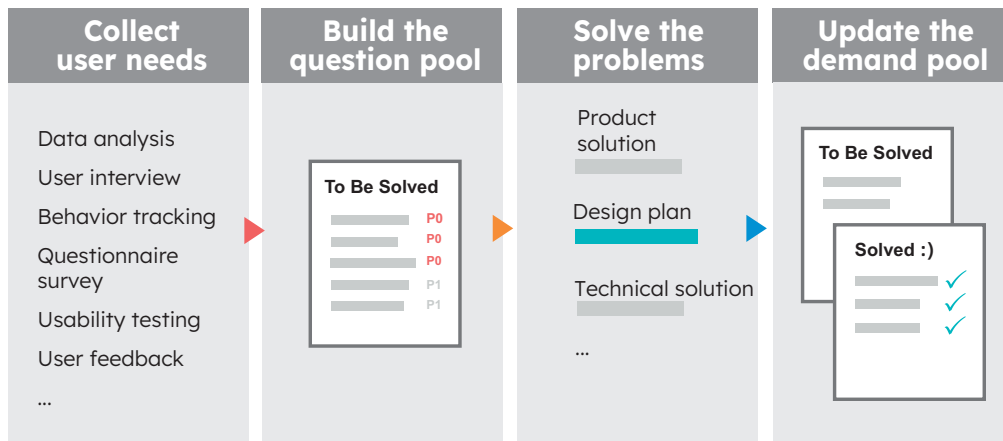
Good customer relationship is the cornerstone of our operation, and meeting customer needs drives our continuous progress. The Company implements full-lifecycle management of products and services, improving customer satisfaction from multiple links such as user demand collection, solution design, product and service provision, and customer feedback handling. We have dedicated personnel in each business department to maintain customer relations, collect user feedback through online social interaction, offline merchant communication, multi-channel questionnaire surveys, customer data collection and other methods, deeply explore customer needs, and effectively incorporate user feedback into our product design, service planning and operation management, so as to carry out the business concept of “focus on customer satisfaction”.

## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION



The Company actively conducts customer surveys to understand their needs and service pain points. In order to better promote the cooperation between local merchants and store-visiting KOLs, the in-store platform department constantly communicates with the platform “KOL”, collects and analyzes the demands once a week, and conducts monthly demand communication to efficiently collect the promotion habits and usage status of store-visiting KOLs, to better analyze and solve the problems of the platform, and meet the needs of both store visiting KOLs and local merchants. In order to efficiently help our customers in various industries to undergo digital transformation, the merchant solution services business unit of the Company communicated with users through questionnaires, product trials, multi-channel interviews and other means in 2022. A total of over 1,800 user questionnaires were collected, with feedback from more than 10 product trials collected and multiple online and offline interviews conducted to deeply understand the digital pain points of customers in the operation process, including takeaway orders, handheld operation, membership marketing, etc. Product design was iteratively optimized according to user needs to comprehensively improve product use experience from multiple perspectives, such as functions, processes and vision.

In addition, the Company firmly adheres to the principle of user-oriented products and services to improve quality. We continuously optimize the internal product design process, aiming to identify customer pain points and business opportunities while establishing an efficient and reliable internal communication mechanism, ensuring that we can effectively provide solutions that meet user needs.



*The product design process of Yeahka*



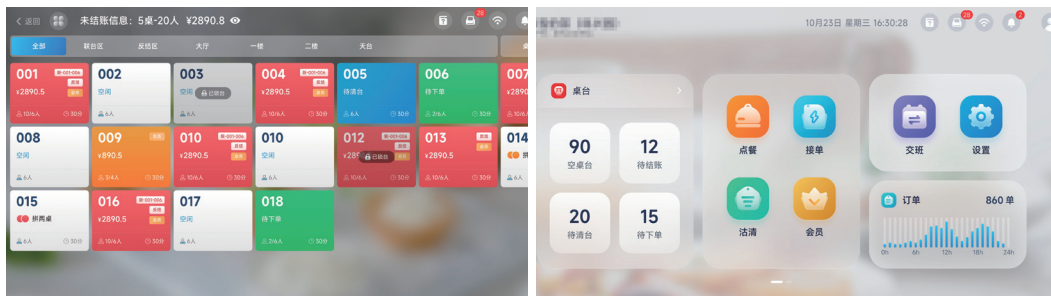
## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

In the problem-solving process, the design solution is an important part that affects user experience and brand perception. Through a user experience map, the Company analyzes the changes in users' behaviors, ideas and emotions in the process of product use, focusing on the demand points, exploring design perspectives, and obtaining design inspirations. Meanwhile, through analysis and comparison of competitive products, we look for common and highlights of product experience to understand our shortcomings. We clarify product positioning, design high-quality solutions in line with product positioning, and optimize user experience while providing customers with differentiated solutions.

### Case

#### **“Ma Shang Restaurant” APP, a comprehensive optimization solution focusing on user feedback**

Since the launch of the to merchants product “Ma Shang Restaurant” APP, the Company has been actively collecting user experience and opinions. We have found that users are experiencing issues related to lengthy product operation paths, small and difficult-to-read font sizes, and difficulty clicking on certain product areas. In order to address these feedback issues and enhance user experience, we have taken measures such as optimizing product interactive visual design, reshaping content hierarchy, and componentizing core frequently used features. By upgrading the overall product experience and enhancing the appearance of our page layout, we have also increased user efficiency.



Customer inquiries and complaints are also the key focus of the Company's customer relations management. We have formulated internal systems and process specifications such as the “Customer Complaint Handling Process System”, “Customer Service Daily Work Regulations”, and “Regulations on Emergency Plans” to guide the handling of customer complaints, clarify the responsibilities and principles of complaint handling, and respond to customer demands in a timely manner. In 2022, the Company established procedures and measures for handling different types of customer complaints to efficiently handle various issues from different customers:



### General complaints

**Refer to complaints caused inconvenience to customers due to management level or negligence of duties, and have a minor impact.**

- Handling process: Customer service shall get back within 24 hours of receiving the complaint, patiently understand the demand, explain the proper business rules to the complainant, and calm the complainant's emotions.
- Processing time: Within 3-5 working days

### Difficult complaints

**Refer to complaints that cause strong dissatisfaction due to inconvenience to customers by the management level or negligence of duties, and have a relatively large impact.**

- Handling process: The customer service shall forward the complaint to the corresponding product business end according to the handling process of general complaints, and the person in charge of the corresponding business end shall come up with a handling suggestion or proposal within 48 hours, after which the customer service shall get back to the complainant within 24 hours.
- Processing time: 1-3 working days

### Major complaints

**Refer to complaints caused by out-of-control service quality in the partial management area due to inadequate management and services, in which complaints bring great inconvenience to customers, cause major economic losses or injuries, or have not been resolved within one month.**

- Handling process: Customer service shall get back to the complainant within 2 hours of receiving the complaint to learn more about the cause of the complaint, collect and record important information, and apologize to appease the complainant to avoid expanding the secondary impact. Afterward, customer service needs to report the complaint as soon as possible to the superior. The department manager shall report to the general office, which shall then organize the relevant responsible departments to set up a special complaint-handling working group to conduct an in-depth understanding of the incident and deal with it by compensating the complainant in a timely manner if it is confirmed to be the Company's responsibility, and internally holding relevant employees accountable.
- Processing time: the first response within 12 hours

### Special complaints

**Refer to complaints that can easily attract the attention of public opinion in which the needs of some customers cannot be met due to inadequate management and services.**

- Handling process: When handling such complaint, customer service shall follow the principle of "asking the person in charge first" by referring to the "Regulations on Emergency Plans", notify the corresponding departmental superiors, business department, policy department, marketing department and legal department by email, get back to the complainant within 1 hour to learn more about the details of the complaint and the complainant's demand, and inform the complainant of a clear handling position and attitude within 12 hours.
- Processing time: within 1 working day





## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

During the Year, we improved the convenience of customer refunds by optimizing the offline refund function of partial product lines, effectively reducing the number of complaints related to expired orders. In addition, the Company has adopted a “double recording” policy to address payment customer complaints, ensuring that sales-related information can be traced back and that all product costs are clearly presented to customers, effectively protecting the legitimate rights and interests of the Company and customers. Our efforts in customer complaint management have earned recognition and commendation from both the industry and regulatory agencies. Yeahka has successfully obtained ISO 10002 customer complaint management system certification.



*ISO 10002 customer complaint management system certification*

### **In 2022**

We served nearly **770,000** person-times by telephone and over **910,000** person-times online  
We carried out product after-sales tracking service, total return visits of **18,319** customers

The Company constantly optimizes the internal management of the customer service center and regularly conducts customer service training and exchanges to improve customer service capabilities. During the Year, we optimized the internal customer complaint data communication mechanism, added regular meetings and communications with various business lines, analyzed relevant service data, summarized feedback from both parties, and timely resolved customer issues, implementing customer consultation and complaint services in a closed-loop manner. The customer service center summarizes customer complaints on a weekly and monthly basis, conducts an in-depth analysis of key complaints, and reports the same to the senior management to assist the management in making decisions on key issues, continuously improving the Company’s customer service level.



## 3.2.2 COMPLIANCE PROMOTION MARKETING TO PROTECT THE RIGHTS AND INTERESTS OF CUSTOMERS

The Company strictly abides by the “Advertising Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests” and any other relevant laws and regulations during the Year, and has formulated and implemented internal policies such as the “Advertising and Publicity Regulations” to provide standardized guidance for the advertising and promotion activities of products and services, ensuring that marketing activities are in compliance with laws and regulations to effectively protect the rights and interests of customers. The Company attaches great importance to marketing materials’ legality, authenticity and accuracy, and eliminates all forms of false advertisements. We have established a systematic marketing policy approval mechanism. Based on our understanding of the market and relevant laws and regulations, each business department checks the marketing policy plans at all levels to implement compliant marketing. In addition, for marketing materials that are planned to be or have been placed on the market, we also conduct internal reviews on them in a timely manner with reference to the latest requirements of regulatory authorities to ensure that all marketing strategies comply with regulatory requirements.



*Marketing policy approval process of Yeahka*

We also attach great importance to cultivating compliance awareness among marketing personnel. We actively carry out various compliance marketing training for relevant employees and partners, including policy promotion of compliance marketing, interpretation and analysis of existing marketing plans, case sharing of compliance marketing, exchange of effective marketing methods, etc., to comprehensively improve the marketing ability of partitioners and strengthen their awareness of compliance marketing.



## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

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### 3.3 GUARANTEE DATA SECURITY

Protecting customer privacy is the foundation for creating value for merchants and consumers. In strict compliance with the “Data Security Law of the People’s Republic of China”, “Cybersecurity Law of the People’s Republic of China”, “Personal Information Protection Law of the People’s Republic of China”, and other relevant laws and regulations, as well as industry regulations and risk control requirements, Yeahka has formulated strict security regulations and systems within the Company, such as the “Information Security Management Measures”, “Personal Privacy Protection Regulations”, “Network Security Management System”, “Security Vulnerability Management Measures”. The Company has incorporated privacy protection policies into the Company’s risk management system to protect the security of internal employee information and user personal information, and prevent situations such as leakage, deletion, tampering and illegal use of user privacy.

According to relevant internal regulations of Yeahka, the Company shall protect users’ freedom of communication and privacy of communication and shall not make use of user information for purposes other than legitimate purposes, nor provide or disclose any user communication information to others without authorization, except in compliance with the necessary circumstances stipulated by the laws. For sensitive information such as user privacy data, the Company circulates them in an irreversible form of encryption to ensure no reverse decryption during data processing. At the same time, the Company must comply with relevant national laws and regulations when using encryption technology or pursuing import and export activities of encryption technology involving such relevant national regulations, and ensure the confidentiality of content through encryption.

During the Year, the Company has continuously improved the information security management system to effectively protect the information security of employees and users from the aspects of data collection, data storage and data permission management.

#### **Data Collection**

The Company has formulated a complete data collection process in accordance with relevant laws and regulations to protect the information security of users in accordance with the laws. The business department is responsible for collecting and submitting customer information to the OA system, which is recorded into the management system of the Company’s back office by the corresponding operation personnel upon approval by the relevant departmental leaders. In order to prevent leakage and illegal use of user information, we strictly stipulate that only employees involved in the above process have the right to access user information. When collecting user data, the Company strictly follows the user’s informed permission principle, and shall not collect data without the user’s permission. At the same time, we ensure that the data collection process does not infringe on users’ privacy, does not collect users’ data exceedingly, and does not obtain users’ sensitive information such as location positioning and fingerprint. All sensitive information displayed is treated through fuzzing and desensitization.



### Data Storage

In order to further optimize the information storage management system, the Company timely optimizes the data storage and invoke process, such as by reconstructing and launching user agreements related to the personal privacy policy, and transforming all customer service systems from some public clouds to local storage to enhance the confidentiality of user information. All key data involving sensitive information such as mobile numbers, identity card numbers and bank card numbers are encrypted and stored by the Company to avoid data leakage and theft, safeguarding the personal privacy of users.

### Data Permission Management

We prudently manage the access rights of the Company's database and require that specific data can only be accessed by responsible personnel with strong relevance through the Company's management back office. In special circumstances where other employees need to review such data, approval by the relevant responsible person must be obtained before data can be viewed through the designated data center platform, and such permission cannot be transferred. The Company shall upgrade and launch the system upon code review and online approval on the platform for the advertising placing system and the corresponding data processing system. No one shall operate or make changes to the online system without approval. The Company prohibits the storage of written information in the database and prohibits research and development personnel from printing sensitive personal information in the system server log. Any violation discovered during regular inspections will be seriously handled.

#### Case

#### **Yeahka's local lifestyle business continues to optimize personal privacy agreement**

During the Year, the local lifestyle business department of Yeahka optimized the personal privacy-related agreement three times to further improve information security risk management measures. We optimized and improved the content of the privacy agreement according to the relevant internal regulations of the Company and feedback from the application market, mainly including the export of personal information, the hiding of sensitive information, the adjustment of the content of the privacy agreement and the list of third-party SDK information, continuing to strengthen the protection of personal privacy.



## CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD PRODUCT INNOVATION

### *Case*

#### **Yeahka's Internet business continues to guarantee data security**

During the Year, the Internet business department desensitized the JUHUISAOSAO business segment as a whole and set up a clear authentication mechanism and authority control for its management platform. As for the gaming business segment not involving sensitive information of users, we set up a strong authentication mechanism and data signature mechanism on its application platform to ensure user privacy security.

In 2022, Yeahka conducted relevant testing and certification on the Company's information security management system by engaging third-party testing institutions such as the China Financial Certification Authority, the China Financial Authentication and the Bank Card Test Center. At present, the Company has obtained certifications such as the "Information System Security Level Protection Level Three Certification", "the Information Security Risk Assessment Certification", "the Third-party Payment System Testing Certification", "Non-bank Payment Institution Payment Business Facilities Technology Certification", safeguarding the Company's information security management system.

In addition, in order to strengthen the Company's security construction in data collection, data permission and data storage, Yeahka purchased equipment and systems such as security situation perception and data encryption and decryption systems during the Year to provide support and protection for data security. In 2022, the Company did not have any complaints related to the violation or disclosure of customer privacy and was not involved in any legal proceedings against the Company or its employees regarding privacy and data security.



## TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION

Yeahka attaches great importance to team building and uses technological innovation to assist employees' comprehensive development. Focusing on the organic combination of technological innovation and the industrial chain, we strive to lead and promote our partners to achieve common prosperity and progress with us.



### Key Points of the Chapter:

- Various incentive programs, such as monthly stars, value guardian stars, and improvement and innovation stars, have been established to reward and recognize outstanding employees
- Training courses on anti-discrimination, anti-harassment and occupational health and safety are provided to all employees to build an equal and healthy working environment
- Employees are provided with comprehensive welfare benefits and sufficient care and support
- Training is conducted for agents on a monthly basis, with incentive systems such as distributor rebates to provide a variety of business support
- ESG factors are fully incorporated into supplier assessment and evaluation, focusing on supplier performance in environmental management systems, pollutant emissions and control, and social responsibility

The United Nations Sustainable Development Goals (SDGs) Responed by this Chapter





## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION

### 4.1 ASSISTING IN THE GROWTH OF EMPLOYEES

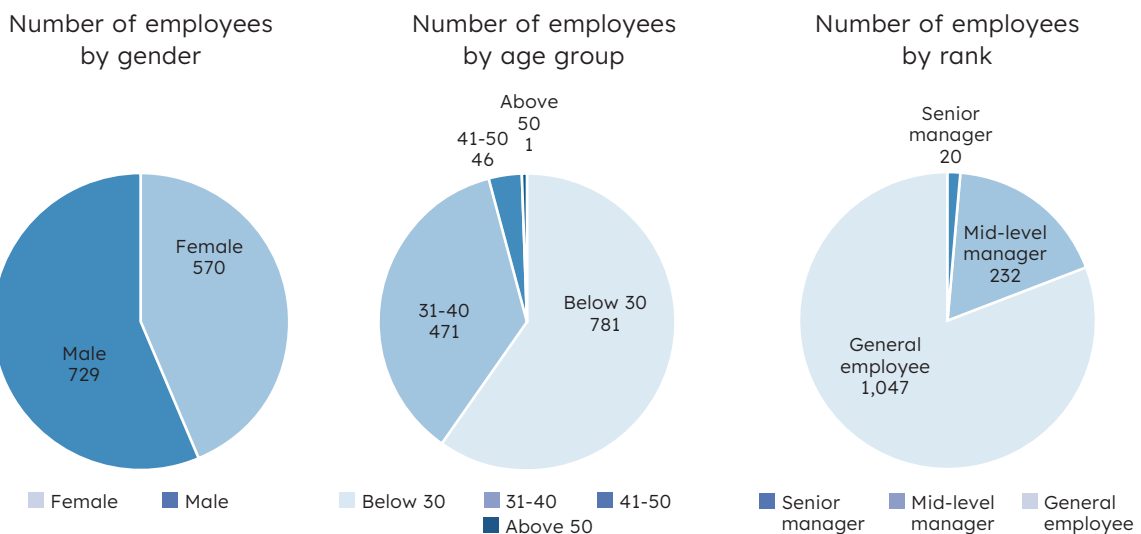
Yeahka always adheres to the people-oriented development concept, regarding human capital as the key to continuously enhancing brand competitiveness and achieving sustainable development. We are committed to building an equal, open, and diverse workforce, prohibiting discriminatory behavior and creating a friendly and inclusive working environment. The Company attaches great importance to the excavation and cultivation of talents, and has carefully established a comprehensive and diverse talent training system to help employees tap their potential and realize their self-worth.

#### 4.1.1 MAKING GOOD USE OF EMPLOYEES WITH RATIONAL RECRUITMENT AND MANAGEMENT

Yeahka strictly abides by the “Labor Law of the People’s Republic of China”, the “Labor Contract Law of the People’s Republic of China”, the “Provisions on the Special Protection of Juvenile Workers” and any other relevant laws and regulations during the Year. The Company has formulated multiple rules and regulations, including the “Yeahka Group Employee Handbook” and the “Position and Rank Management Manual of Yeahka Group”, to protect employees’ legitimate rights and interests effectively.

##### **Employee Recruitment**

The Company strictly implements the “Recruitment Management System of Yeahka Group”, adhering to the principles of fair competition, merit-based recruitment, and hiring individuals with both moral and professional qualities. We utilize various channels, such as campus recruitment, internal referrals, online recruitment and talent market recruitment, to explore talented individuals with good comprehensive quality and moral character, continuously injecting fresh blood for the Company’s development. The Company strictly prohibits child labor. We investigate the information and verify the identity of the applicant during the recruitment process. We also forbid any form of forced labor. If the applicant is found to use false identity information and conceal true age or if forced labor is found, we will take internal rectification measures after investigation. No illegal acts related to child or forced labor were recorded during the Year. As of December 31, 2022, Yeahka had a total of 1,299 employees, categorized by gender, rank and age group as follows:





### Case

#### **Yeahka recruits employees through multiple channels**

In 2022, Yeahka utilized multiple methods such as online recruitment and campus presentations to release job vacancies to the public and recruit outstanding talents. During the Year, the Company conducted 30 campus recruitment presentations in 30 colleges, recruiting a total of 159 employees.



### **Equality and Diversity**

We adhere to the people-oriented development concept and are committed to creating an equal, fair, honest and trustworthy working environment. We eliminate all forms of prejudice and discrimination and treat employees equally without discrimination based on age, ethnicity, religious belief, family status or gender. We deeply appreciate the importance of talent diversification for the sustainable development of the Company. Therefore, we attach great importance to identifying, cultivating and retaining talents to help employees grow and achieve the long-term development of the Company.

Yeahka always adheres to the principle of gender equality, treating all employees fairly regarding recruitment, evaluation, promotion, and other aspects. The Company continues to optimize the treatment of female employees. In addition to emergency administrative supplies, the Company provides relevant benefits for female employees during holidays, such as arranging half-day welfare leave for female employees on International Women's Day. We care for our female employees and enhance their sense of belonging.



In 2022, the Company issued the “Sunshine Code of Conduct” and conducted training for all employees, clearly conveying the Company’s zero-tolerance attitude towards workplace discrimination and harassment.





## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION

### Employee Incentive Mechanism

We continue to implement a diverse compensation and incentive mechanism that combines annual and quarterly special salary adjustments to motivate employees by combining mid- and long-term incentives with short-term incentives. In addition, based on employees' contributions in terms of performance, value practice and management, the Company has established various incentive programs such as monthly stars, value guardian stars, and improvement and innovation stars to reward and recognize employees with outstanding performance in a particular aspect. In 2022, a total of 119 employees were awarded the "monthly stars", 26 employees were awarded the annual outstanding employee title, and 14 teams were awarded the annual "Excellent Team" title.



**Monthly stars**



**Value guardian stars**



**Improvement and innovation stars**

We have established various incentive programs, enriched the evaluation dimensions, and encouraged employees to strive for progress and continuously explore their potential.

#### Case

#### Employee incentive program launched by Yeahka's Technology Center



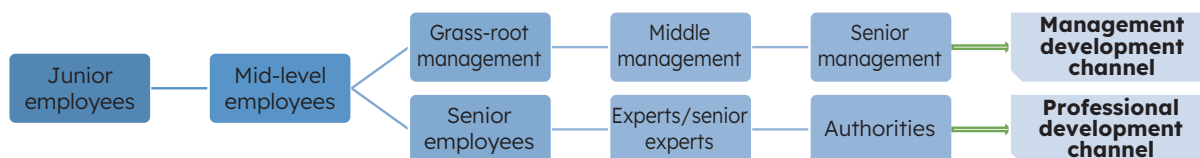
With Objectives and Key Results (OKR) management tools as data support, the Technology Center adheres to the implementation of closed-loop project management. The Technology Center conducts monthly reviews of outstanding projects and OKR star teams internally and carries out evaluation work such as outstanding individuals and three "entrepreneurship and innovation excellent performance" awards. Honorary incentives are given to outstanding teams and individuals to create a culture of "entrepreneurship and innovation value". In 2022, the Technology Center selected a total of 25 excellent project teams, 24 OKR review star teams and 36 outstanding individuals.

## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION



### Employee Appraisal and Promotion

Talented individuals are the driving force for the sustainable development of the Company. In order to meet the needs for future business development and talent management, the Company has established a unique dual-channel career development aimed at assisting each employee in identifying their own career development path that aligns with their strengths. The dual-channel career development system includes professional and management dimensions. Regarding professional development, the Company provides two promotion opportunities annually, with a promotion rate of approximately 20%, of which the promotion rate for young outstanding backbone personnel is over 35%. Regarding management development, the Company conducts comprehensive evaluations of management cadres to ensure they are capable of developing their abilities broadly. At the same time, the Company implements a merit-based appointment mechanism to maintain the vitality of the management team.



*Yeahka's dual-channel career development paths*

In addition to the dual-channel career development system, in order to further stimulate the vitality of employees, the Company has also established an internal talent flow mechanism that meets the development needs of employees. We have established a flexible job transfer system within the Company, and employees who meet performance requirements can apply for job transfers. For new employees, we have tailored a fast-track promotion channel, which allows those who have made outstanding contributions to the Company to achieve cross-rank promotion, further stimulating the internal momentum of employees and Yeahka.

Yeahka upholds the principle of fairness and justice, and utilizes the EHR system to conduct performance appraisal and evaluation for employees and complete the entire online evaluation process. Such process includes performance indicator filling and review, performance appraisal scoring, performance result review, performance result release and online confirmation, achieving transparency of performance appraisal and facilitating employees to check their performance appraisal results. During the Year, the Company has completed the interconnection between the human resources system and other internal business systems by continuously strengthening IT system construction. The Company has continuously improved the construction of OKR, performance appraisal, attendance, personnel information, training and other platform functions. Under this premise, we have connected the Company's internal systems with some external procurement systems, and continuously updated and iterated the system based on the optimization needs. We have achieved online and intelligent operation of each office module of the Human Resources Department to conduct data analysis as needed in the future and improve the efficiency of human resources work.

The Company has also formulated proper procedures regarding employee resignation, termination and dismissal in accordance with the applicable laws and regulations. When an employee submits a resignation, the responsible personnel of the human resources department will inquire and ascertain the reasons for resignation.



## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION

### 4.1.2 SUPPORT EMPLOYEES THROUGH ACTIVE CULTIVATION AND DEVELOPMENT

In order to meet the needs of employee skill enhancement and career development, and to ensure sufficient talent supply for the Company, we have established and continuously improved our learning and development system and talent development plan. In 2022, the Company focused on “employee growth” and carried out diversified talent training programs, aiming to improve the professional quality of new employees, management ability of managers and professional skills of technical personnel, thereby helping cultivate more outstanding talents and providing strong support for the Company’s future business development. Our training during the Year is as follows:

Average training hours completed per employee by gender



Average training hours completed per male employee  
49.35



Average training hours completed per female employee  
34.23

Average training hours completed per employee by rank



Average training hours completed per senior manager  
37.70

Average training hours completed per middle manager  
53.19

Average training hours completed per general employee  
40.49

#### **Professional Quality Cultivation for New Recruits**

Every fresh graduate who joins Yeahka is an indispensable new force in the Company. We introduce our corporate culture and system to new employees through various courses. We provide mentors to fresh graduates for targeted guidance, striving to help new employees understand and integrate into the Company more quickly.



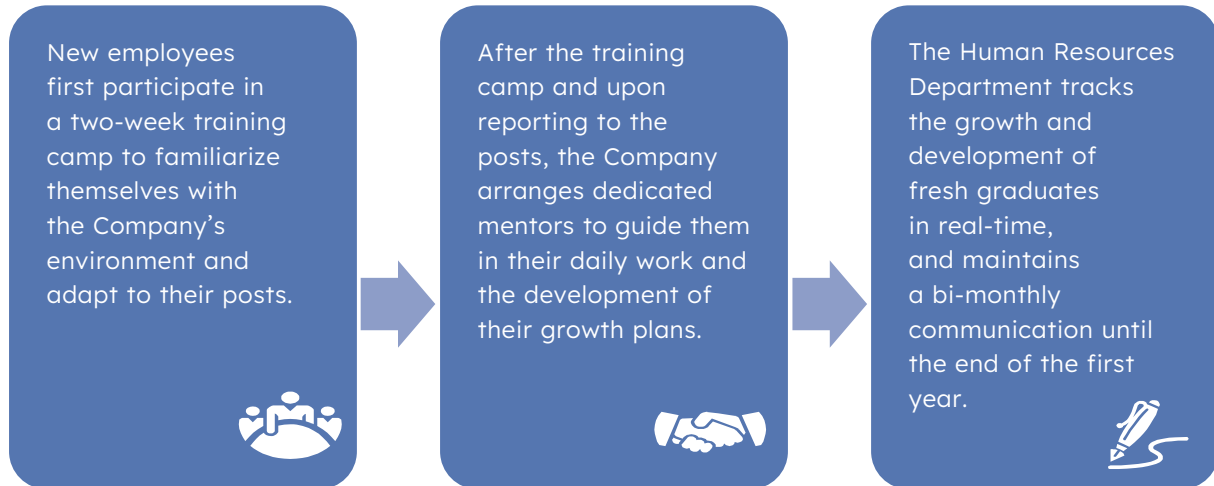
In 2022, Yeahka conducted 8 induction training sessions for new employees

Induction training camp hours for college students reached 84 hours

## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION



Yeahka attaches great importance to the training and development of new employees. We have launched a one-year training program for fresh graduates to facilitate their rapid growth.



### Case

#### **Customer Service Center – strengthening professional skill training and team management construction**

During the Year, the Customer Service Center established an employee work data model to review the customer service team's performance and provide business training on employees' abilities and weaknesses. The training was conducted by employees with outstanding business capabilities as part-time lecturers, who shared excellent experience with other employees, effectively improving the customer service team's overall service ability while expanding the employees' learning channels.





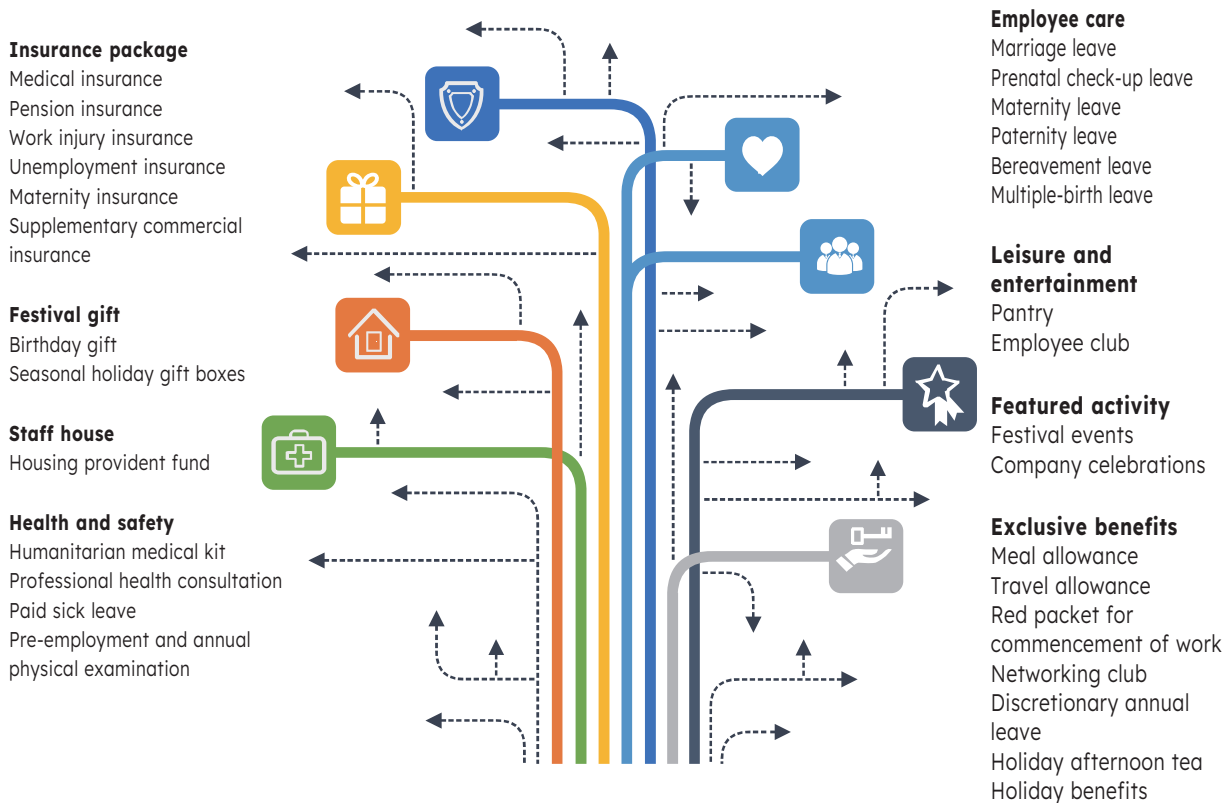
## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION

### 4.1.3 CARE FOR EMPLOYEES, CULTURE CONSTRUCTION AND COMMUNICATION

Adhering to the employee-oriented principle, Yeahka strives to work hand-in-hand with employees, protecting their rights and interests, continuously cultivating industry professionals, and creating a fair, open, harmonious and inclusive working environment. We actively organize diverse employee activities to encourage work-life balance, enhancing their happiness and sense of belonging. Additionally, we continue to improve communication systems and channels, conducting regular employee satisfaction surveys, listening to their ideas and opinions, improving employee management practices based on survey results, and increasing employee identification with the Company. In 2022, the employee satisfaction survey results of Yeahka showed that 92% of employees were satisfied with our work.

#### **Comprehensive Benefits and Welfare**

In strict compliance with relevant laws and regulations, Yeahka ensures full payment of five insurances and one fund for employees and provides statutory holiday benefits to protect their legal rights and interests. At the same time, we provide employees with a number of soft benefits such as birthday gifts, red packets for commencement of work, and afternoon tea on holidays, continuously improving a fair and competitive welfare guarantee system and providing employees with various welfare measures, so that they can truly feel the care and attention of the Company.



*A variety of employee benefits*

## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION



To relieve employees' work pressure, we have organized various interest clubs, including badminton, swimming, basketball and soccer, to encourage a work-life balance for employees and enrich their daily life. At the same time, we actively organize team-building activities during different holidays, providing employees with a platform to showcase themselves through diverse games and interactions. We aim to create a relaxed and pleasant corporate atmosphere and help employees better balance work and life.

### *Case*

#### **Yeahka people on Lantern Festival**

On February 15, 2022, Yeahka held a series of Lantern Festival activities in the Company, with online and offline lantern riddles as the main activity, along with interactive activities such as wishing trees and photo-tagging. Employees were provided with glutinous rice balls and sweet soup. The event was attended by over 400 participants and received widespread acclaim from employees.



### **Corporate Culture Development**

Yeahka upholds the corporate culture and values of “Innovation, Integrity, Proactivity and Responsibility”. Through various employee activities, welfare and care, and publicity activities, we continuously promote the construction and dissemination of corporate culture, gradually improving employees' sense of identification and mission towards our corporate culture. In 2022, Liu Yingqi, the founder and CEO of Yeahka, sent an internal email to all employees on the Company's 10th anniversary titled “Identifying A More Promising Future”. The email reviewed Yeahka's development over the past decade in building a “payment-based digitalized business ecosystem”. It proposed further strengthening the implementation of the Company's future development plan based on the “value creation” principle by shaping corporate culture, optimizing organizational mechanisms, etc. Liu called on employees to attach importance to user value creation and help them clarify the close relationship between the Company's development and corporate culture.

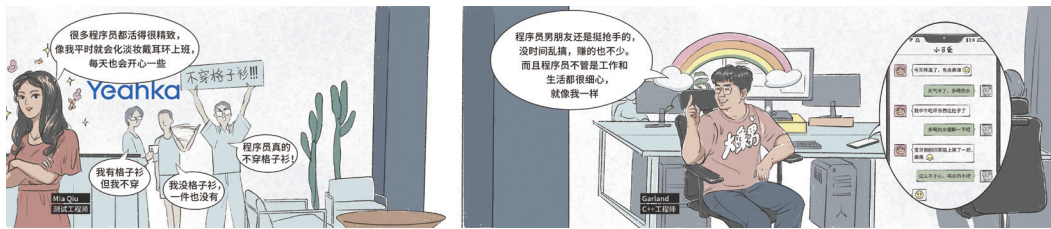


## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION

### Case

#### 1024 illustration of programmers

On October 24, 2022, the programmers' day, Yeahka interviewed multiple employees from the technical departments. The interview truthfully restored the daily life and work of employees. We also created and released a long-picture comic to break down common stereotypes of programmers and promote the unique characteristics of the Company's technical group in a fun and engaging manner.



#### 4.1.4 CARING FOR EMPLOYEES BY FOCUSING ON HEALTH AND SAFETY

Yeahka attaches great importance to the health and safety of employees. We approach this concern from various angles, such as prevention, control and responsibility implementation by adopting diverse caring measures to ensure workplace safety. We conduct occupational health and safety training, continuously promote the construction of a safety culture, and effectively safeguard employees' physical and mental health. Moreover, Yeahka regularly replaces the greenery in the office, beautifying the workplace environment and purifying the air to create a comfortable and healthy working environment for employees.

<b>Employee physical examination</b>	The Company provides employees with annual and pre-employment physical examinations to protect their physical health to the greatest extent.
<b>Purchase of commercial insurance</b>	The Company purchases commercial insurance for all employees as a supplement to their personal insurance.
<b>Supporting employees in pandemic prevention</b>	The Company implemented a flexible working mechanism and working hours during the peak of COVID-19, and provided employees with pandemic-prevention supplies to ensure the well-being of their health.
<b>Employee mental health</b>	The Company continuously pays attention to the mental health of its employees and provides timely care and support to those in need.
<b>Fire safety management</b>	The Company regularly popularizes fire safety knowledge to employees and organizes fire drills to continuously consolidate their fire safety awareness and emergency response capabilities.



### 4.2 WORKING WITH COMMERCIAL PARTNERS

Excellent business partners are necessary for us to provide high-quality products and services. Yeahka continuously pays attention to the performance of suppliers in terms of social responsibility and environment, and strictly controls the potential risks of the supply chain through a comprehensive and standardized supplier management mechanism. In addition, we constantly expand cooperation opportunities with external partners and establish long-term and stable strategic cooperation with reputable suppliers to jointly build a sustainable supply chain and create a transparent business environment. In 2022, the major suppliers the Company cooperated with were located in China.

#### 4.2.1 SUPPLIER MANAGEMENT

Yeahka strictly complies with laws and regulations, having formulated and implemented the “Procurement Management System of Yeahka” based on the principles of fairness, justice, and transparency. We standardize the supplier evaluation process, eliminate any form of bribery in the supply chain, strictly control the supplier qualification, ensure procurement quality, and improve delivery efficiency. To standardize and rationalize procurement transaction procedures, the Company’s procurement department conducts supplier sourcing openly in the market and carries out standardized verification based on suppliers’ basic information and background. Before formally hiring a supplier, the Company will conduct detailed background checks (qualification checks, on-site inspections, etc.) on the suppliers to fully understand its qualifications and service capabilities, and reduce potential risks in the supply chain. The target supplier will be included in the qualified supplier list if it meets our procurement requirements after a strict approval process.

Yeahka evaluates suppliers in a strict and responsible manner. In addition to factors such as supply quality and product costs, we also pay attention to the ESG performance of our suppliers. In 2022, we updated the supplier management system and incorporated additional ESG-related evaluation criteria and content as follows:

- Environment: Suppliers shall adopt an effective system to evaluate, measure and reduce the impact of business operations on the environment;
- Health and safety: Suppliers shall formulate health and safety policies and clarify operation procedures to reduce the risk of employee injury or illness. Suppliers shall provide regular training on health and safety related issues to employees to protect the safety and health of employees to the greatest extent;
- Child labor and forced labor: Suppliers are prohibited from hiring employees below the legal age and must eliminate the occurrence of forced labor; and
- Business ethics: Suppliers shall comply with anti-corruption laws and regulations in the regions of operation. Suppliers shall formulate policies, codes of conduct and procedures to eliminate any forms of bribery, corruption and fraud, and ensure strict implementation.





## CHAPTER IV TECHNOLOGY SHARING TO ASSIST IN WIN-WIN COOPERATION

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### 4.2.2 COOPERATION WITH AGENTS

The Company's distribution network covers mainstream products for a wide range of users such as Shouyintong and Yishoufu. In order to ensure service quality, we regularly update customer service quality standard documents and conduct monthly training based on the classification and grading of distributors. We periodically hold customer service quality management seminars, and over 70% of our distributors participated during the Year. At the same time, we provide various business development support for agents and encourage them to continuously improve their service quality and initiative through incentive systems such as distributor rebates, thus enhancing their brand influence.

### 4.2.3 RESPONSIBLE SUPPLY CHAIN

The Company's suppliers mainly provide data and professional technical services for Yeahka. The Company requires its suppliers to strictly comply with the "Criminal Law of the People's Republic of China", the "Opinions on Several Issues concerning the Application of Law in the Handling of Criminal Cases of Commercial Bribery", and other laws and regulations prohibiting commercial bribery. We also include integrity clauses in our contracts with suppliers. For transactions with a procurement amount greater than RMB200,000, the Company will specifically sign an "Anti-commercial Bribery Confirmation Letter" with suppliers and promise to resist all forms of commercial bribery to ensure compliance of cooperation.

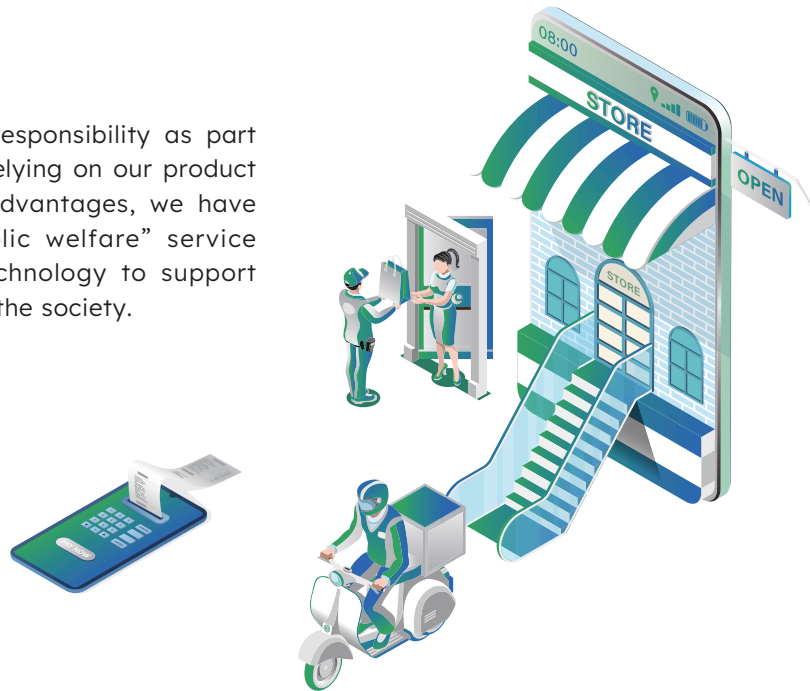
Yeahka integrates the concept of sustainable development into the entire supply chain management process and strictly controls the social responsibility and environmental risks of suppliers. We actively practice green procurement by prioritizing office supplies with higher environmental protection standards and purchasing low-energy consumption office appliances to ensure that procurement meets the requirements of green environmental protection. The Company continuously focuses on suppliers' performance regarding the environment, employment, safety, anti-corruption, and social responsibility. We promote environmental protection concepts and knowledge to suppliers, and encourage them to undertake corresponding social responsibilities actively.

The Company maintains effective communication and exchanges with suppliers through online and offline meetings during the cooperation. According to the Company's business needs, we regularly conduct ESG-related training for suppliers, covering aspects such as environmental protection and integrity, promoting our own sustainable development while achieving mutual growth with our partners.



## TECHNOLOGY AID IN BUILDING HARMONIOUS COMMUNITIES TOGETHER

Yeahka always regards social responsibility as part of corporate responsibility. By relying on our product innovation and technological advantages, we have improved the “Internet + public welfare” service system, and utilized digital technology to support charity to create more value for the society.



### Key Points of the Chapter:

- Providing financial support for small and micro merchants by Yeahka’s “Small Merchant Power”
- Collaborating with SF Intra-City to send warmth to small shop owners and “city guardians”
- Participating in the Guangdong Province “Poverty Alleviation Day” to support rural development with practical actions

The United Nations Sustainable Development Goals (SDGs) Responded by this Chapter





## CHAPTER V TECHNOLOGY AID IN BUILDING HARMONIOUS COMMUNITIES TOGETHER

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### 5.1 COMMITMENT TO CHARITY

Yeahka believes that scientific and technological innovation is for good. With the rapid development of digitalization, Yeahka leverages its technological advantages to facilitate the digital upgrade of small and medium-sized merchants, aiming to build a more efficient, intelligent, and convenient business ecosystem. In addition, Yeahka pays close attention to the demands of all stakeholders, encourages more Yeahka employees to participate in social welfare activities to transmit warmth with technology, and solves social problems pragmatically. We work together to promote the harmonious development of society and join hands with all parties to pursue a better life.

#### 5.1.1 ASSISTING SMALL AND MICRO MERCHANTS

The development of digital technology has provided more possibilities for public welfare. Based on its own technological capabilities and business advantages, Yeahka actively builds a public welfare model with Yeahka characteristics. We aim to help micro, small and medium-sized merchants reduce their burden, increase their income, promote high-quality and efficient development, and build a digital public welfare ecosystem with inclusive, shared and sustainable core features.

In 2022, Yeahka continuously carried out the “Small Merchant Power” public welfare program to support micro, small and medium-sized merchants, assisting in economic recovery and common prosperity. Comprehensively promoting the development of micro, small and medium-sized businesses from the dimensions of capital loans, digital services, and market publicity, we not only cooperated with third-party financial institutions to provide financial support for micro, small and medium-sized merchants, but also used our own advantages to provide merchants with payment and transaction scenario services. Moreover, we cooperated with various media channels to promote the business stories of small and micro merchants and expand the brand effect.



Case

## Hustle-and-Bustle moves people’s hearts – Yeahka supports the brand promotion of small and micro merchants

In 2022, Yeahka created a short video IP, “KaKa eating along the streets”, for small and micro merchants specifically. The goal was to use real-life footage to record daily operations of small and micro merchants and to use plain language to tell the story of their business operations to the public. People were allowed to feel the hustle and bustle of urban life, assisting in the promotion of small and micro brands and the recovery of the “sparkling economy” (煙火經濟).



Case

## Searching for city guardians – Yeahka delivers heart-warming tea drinks to city guardians

On the Labor Day of 2022, Yeahka joined hands with SF Intra-City to launch the “Searching for City Guardians” program. Ordering on the local lifestyle platform of Yeahka, allowed customers to send refreshing tea drinks to sanitation workers, traffic coordinators, anti-epidemic personnel and other workers in the streets and alleys of Shenzhen, so as to thank the city guardians for their hard work and dedication.





## CHAPTER V TECHNOLOGY AID IN BUILDING HARMONIOUS COMMUNITIES TOGETHER

### Case

#### **Daytime is short but love is not, for there is warmth on Winter Solstice – Yeahka sends warm greetings to small and micro merchants who are still away from their hometown on Winter Solstice**

On the Winter Solstice of 2022, to pay tribute to the tens of thousands of small and micro merchants working away from their hometown, Yeahka and SF Intra-City jointly sent Winter Solstice gift packs to small shop owners in Shenzhen. The package included dumplings, glutinous rice balls and other festive food, celebrating the festive season in the cold winter and appreciating the sparks they brought to the city.



In addition, Yeahka actively responds to the national rural revitalization strategy and promotes common prosperity, providing digital support for rural businesses. We continuously promote strategic cooperation with the Rural Revitalization Bureau of Ganzhou, Jiangxi Province, by providing digital marketing and operation solutions for local merchants and farmers. Meanwhile, relying on new media platforms such as People's Daily, People's Anchors (人民日报·人民主播), WeChat, and Douyin, we empower traditional rural commerce with digital technology. We further assist more rural merchants to integrate into the digital economy era and promote the flourishing development of rural commerce.



### 5.1.2 CHARITABLE ASSISTANCE

Upholding the public welfare concept of “Helping others, conveying kindness”, Yeahka calls on all the employees to actively participate in public welfare and charity activities, carry out charitable donations, support community development, and help vulnerable groups. We strive to make every effort to contribute to the development of a harmonious society.

#### Case

#### Rural assistance donation

On June 30, 2022, Yeahka was invited to participate in the celebration of the 101st anniversary of the founding of the Party and “Poverty Alleviation and Relief Day” held by the Guangdong Communications Administration. On the day of the event, Yeahka donated RMB100,000 to Daba Town, Yangdong District, Yangjiang, to support rural construction with action.





## CHAPTER V TECHNOLOGY AID IN BUILDING HARMONIOUS COMMUNITIES TOGETHER

### Case

#### Charity sale event on Thanksgiving Day

Yeahka has integrated public welfare and charity into daily employee activities, encouraging more Yeahka employees to participate in charity. During the Thanksgiving Day of 2022, Yeahka held a fun charity sale and auction within the Company, allowing employees to contribute to charity while relieving work stress.



In addition, in 2022, Yeahka continued to closely monitor COVID-19. While ensuring the health and safety of our employees, we provided assistance and support to the front-line “battlefields” fighting against the pandemic in various regions. We sent anti-pandemic supplies to affected areas and extended our gratitude to frontline medical staff, actively fulfilling the social responsibilities of Yeahka.

### Case

#### Paying tribute to frontline anti-pandemic personnel in Shenzhen

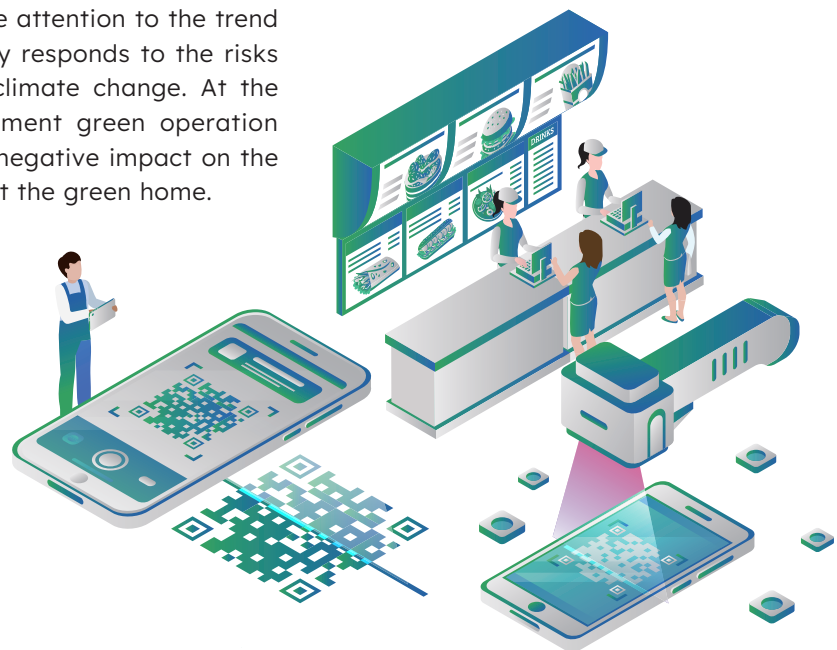
In order to thank frontline anti-pandemic personnel for their hard work and contributions to the fight against the pandemic, in March 2022, Yeahka visited the communities of High-tech Zone, Yuegui and Science and Technology Park in Yuehai Street, Nanshan District, and donated relevant anti-pandemic supplies to help overcome the difficulties together.





## TECHNOLOGY TO REDUCE EMISSIONS FOR A GREEN FUTURE

Upholding the concept of sustainable development, Yeahka continuously pays close attention to the trend of climate change, and actively responds to the risks and opportunities related to climate change. At the same time, we actively implement green operation practices, so as to reduce the negative impact on the environment, and jointly protect the green home.



### Key Points of the Chapter:

- Strengthening the construction of climate disaster recovery capacity and building a new disaster recovery server room to increase support capacity by 30%
- Carrying out publicity activities on World Environment Day and World Forest Day to popularize environmental protection knowledge and appeal to consumers to practice the environmental protection concept
- Increasing the proportion of clean energy in the data operation center, giving priority to energy-saving and environmentally friendly devices, and reducing energy consumption and greenhouse gas emissions

The United Nations Sustainable Development Goals (SDGs) Responed by this Chapter







## CHAPTER VI TECHNOLOGY TO REDUCE EMISSIONS FOR A GREEN FUTURE

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### 6.1 RESPONSE TO CLIMATE CHANGE

With the development of society, issues such as climate change and environmental pollution are getting increasingly serious, and we are duty-bound to protect the ecological environment. We actively take action on issues such as climate change response, energy saving and consumption reduction, and waste management, and deeply integrate the concept of sustainable development into every aspect of our daily operations, reflecting our determination to build a green and responsible enterprise. At the same time, we actively engage in more extensive communication, sharing and cooperation with partners, while giving full play to the resources and advantages of all parties, so as to jointly promote the implementation of sustainable development actions.

#### 6.1.1 GOVERNANCE

The Company has established a sound ESG governance structure and clearly identified the main responsibilities of each level. The ESG Committee is responsible for analyzing the sustainable development trend of the industry and identifying the risks and opportunities brought by climate change. At the same time, the Company's senior management has formulated corresponding ESG work plans and implementation plans. The ESG working group is responsible for assisting in the execution and implementation to improve the Company's ability to manage and control risks in response to climate change.

#### 6.1.2 CLIMATE CHANGE RISK AND RESPONSE

Climate change is one of the major challenges faced by the whole society today. Yeahka is committed to accelerating addressing climate change and reducing greenhouse gas emissions to promote the Company's low-carbon development. We continue to deepen our understanding of climate change-related issues. Based on the Company's internal data and industry-related research, we regularly sort out and update the climate change risks and opportunities identified by the Company, actively consider and implement countermeasures, and continuously improve our response to and management level of climate change issues.

After careful assessment, scientific analysis and multi-party communication, the Company has identified its own climate change risks, mainly including physical risks and transition risks. Among them, physical risks refer to the risks associated with the impact on the entity's assets; and transition risks refer to the risks associated with the low-carbon transition of the enterprise.

## CHAPTER VI TECHNOLOGY TO REDUCE EMISSIONS FOR A GREEN FUTURE



Type of risks	Characteristics of risks	Specific risks	Description of risks
Physical risks	Acute	Extreme precipitation	Extreme precipitation, such as heavy precipitation within a short period of time, an increase in the number of days of heavy rainfall during the year and an increase in annual maximum rainfall, will lead to a sharp rise in air humidity, or even a rapid rise in water bodies, which will bring flood risks and affect the normal operation of the server rooms
		Flood	Strong rainfall, iceberg melting, storm tide, etc., will lead to floods. Sudden floods may flood the server rooms, resulting in damage to data center equipment and loss of data
		Typhoon	Increased probability of high-intensity typhoons may lead to continuous strong wind and heavy rain. High-grade wind may damage facilities and destroy buildings, which is detrimental to the stability of the buildings where our server rooms are located
	Chronic	Continuous heat wave	The continuous increase in air temperature will increase the power consumption of server rooms and the energy consumption of cooling systems, which will, in turn, increase the energy consumption of data center operations and increase operating costs
Transition risks	Policies and compliance	“Dual carbon” goal requirements	China’s goal of “carbon peak” and “carbon neutrality” requires enterprises to change their business models to reduce carbon emissions. If they cannot achieve a low-carbon transition as soon as possible, they may face the risk of operational violations in the future
	Corporate reputation	Stakeholders’ concern	The “dual carbon” goal has attracted extensive social attention. The public expects companies to operate in a more environmentally friendly manner. Failure to meet public expectations may damage the Company’s reputation, which may lead to loss of customers and damage to business



## CHAPTER VI TECHNOLOGY TO REDUCE EMISSIONS FOR A GREEN FUTURE

Under the guidance of the ESG Committee and the ESG working group, we have actively taken a series of measures to address and mitigate the climate change risks identified. In order to cope with the power failure or equipment damage caused by acute extreme weather and avoid the significant impact on the continuity of the Company's business operations, we have strengthened the disaster recovery capacity building and built a new disaster recovery room in 2022 with the development direction of "one main line, two auxiliary facilities and three centers", increasing the support capacity by 30% and further improving the ability to cope with the risks associated with climate change. At the same time, we tested and strengthened the system's fault tolerance and disaster recovery capacity through continuous failure drills throughout the Year. During the Year, we organized over 60 small-to-medium scale drills and 3 comprehensive failure drills for multiple modules and systems. In response to chronic risks, including continuous heat waves, we actively explore the use of clean energy, such as green power, in the data operation center. We prioritize energy-saving and environmentally friendly devices to reduce energy consumption and greenhouse gas emissions.

### Case

#### **Green data center**

We actively responded to the national call for energy conservation and emission reduction. On the premise of ensuring the stability of the system, we improved the effective utilization rate of gross computing resources by approximately 8% through optimization of the business system structure as well as deployment and migration of system servers. We reduced the energy consumption by approximately 50 servers compared with last year. At the same time, we have built two Yeahka private clouds and conducted database pool research to centralize the management and allocation of resources, which greatly improved the utilization rate of the equipment, and effectively reduced the energy consumption generated by the use of bare metal hosts.

In response to transition risks, we actively explore and promote green and clean technologies, improve our own technology system and enhance innovation capabilities in an effort to provide customers with more low-carbon products and services from two aspects: green technology innovation and green operation. At the same time, we continue to optimize resource allocation in the office by promoting the adoption of energy-saving power consumption modes, putting up reminder signs on energy-saving and water-saving and encouraging employees to use public transportation to commute with a view to becoming a green employer.



## 6.1.3 CLIMATE CHANGE OPPORTUNITIES

Risks and opportunities coexist. Whenever there is a challenge, there lurks an opportunity. Although climate change brings many risks, we believe that taking the lead in mitigating or adapting to climate change will bring more opportunities for corporate development.

Type of opportunities	Characteristic of opportunities	Specific opportunities	Description of opportunities
Opportunities	Market	Circular economic development	China's 14th Five-Year Plan proposes to empower sustainable economic development with the digital economy and green development as its two wings, meaning that it may usher in favorable policies for Yeahka. At the same time, the digital transformation of the payment industry will continue to accelerate, transforming from multi-scenario single service to full-scenario digital operation, and the market demand for integrated services will continue to increase
		Customer preference	The development of a circular economy requires market players to change their business model and adopt green and low-carbon operation methods so that the online demand from customers of small and medium-sized enterprises in business scenarios such as payment and settlement as well as marketing will continue to increase, and enterprises may take this opportunity to increase online business income, market share and penetration rate

In response to the national strategic goal of “carbon peak” and “carbon neutrality” while actively promoting the progress of energy conservation and emission reduction, we also actively respond to the development trend of green and low-carbon economy, continue to invest in the research and development of artificial intelligence, big data analysis and other fields, and continuously innovate products and services to adapt to market changes, meet customer needs, and help customers achieve digital transformation.



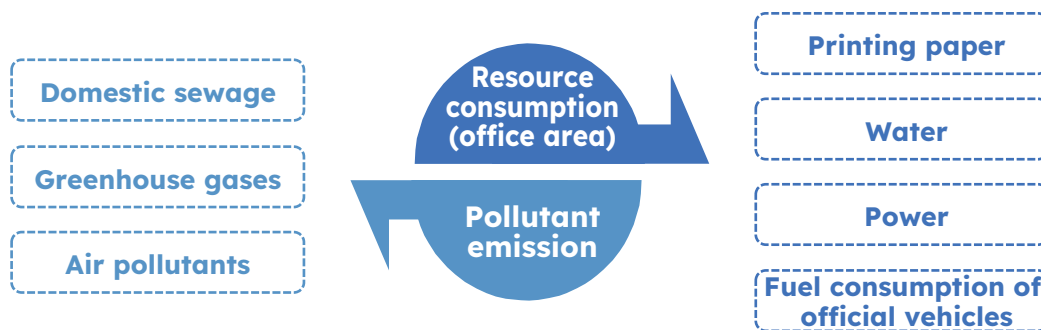
## CHAPTER VI TECHNOLOGY TO REDUCE EMISSIONS FOR A GREEN FUTURE

### 6.2 PRACTICING GREEN OPERATION

Yeahka actively advocates a green and healthy office model by refining green and environmental protection measures in multiple dimensions, integrating the concept of energy conservation and emission reduction into the Company's daily operations and pursuing the balanced development of economic benefits and environmental benefits, in an effort to reduce the impact of business operations on the environment. While fulfilling corporate environmental protection responsibilities, we strictly comply with the relevant requirements of laws and regulations such as the "Environmental Protection Law of the People's Republic of China" and "Law of the People's Republic of China on Conserving Energy". In 2022, the Company did not have any major violations regarding environmental management.

#### 6.2.1 REFINED MEASURES FOR ENERGY SAVING AND EMISSION REDUCTION

In 2022, the resource consumption in the course of business of Yeahka is mainly generated from the use of printing paper, water, power in the office area and fuel consumption of official vehicles, and the emissions involved mainly include domestic sewage, greenhouse gases and air pollutants. The greenhouse gas and air pollutants are mainly generated from the consumption of purchased electricity and the use of vehicles for office use. The water used in the office during daily operations is collected and discharged to the municipal sewage pipe network for treatment, and no direct sewage discharge is involved.



*Main resources consumption and pollution emissions involved in Yeahka's business*

In addition, the principal business activities of Yeahka do not involve packaging materials. While actively responding to the national call for energy conservation and emission reduction and implementing green environmental protection actions, Yeahka has formulated the "Yeahka Green Office Manual" to refine the concepts of sustainable development, such as resource conservation and pollutant reduction, into various aspects of daily office work, such as garbage classification, working environment, food & beverage, and commuting, etc., thus providing clearer guidance for employees to develop good green office habits. At the same time, upholding low energy consumption and sustainable operation as its objectives, Yeahka strives to reduce the impact of business activities on the environment by actively exploring the feasibility of rational use of resources.

## CHAPTER VI TECHNOLOGY TO REDUCE EMISSIONS FOR A GREEN FUTURE



### Electricity conservation



- Prioritize the purchase and use of energy-efficient office equipment and energy-saving lamps to reduce power consumption;
- Carry out round-the-clock patrol inspection in the workplace, implement energy-saving mode for office equipment, turn off the equipment timely during non-office hours, and remind employees to unplug mobile phone chargers or other charging devices to reduce power consumption;
- Install time/lighting controllers to control the lighting of common areas in the office, and install a large number of high transmittance glass as the partition of rooms such as conference room, and use natural lighting to reduce the use of lighting equipment during the day.

### Water conservation



- Put up water-saving signs in the places where water is used, promote the recycling of water and remind employees to turn off the tap when not in use;
- Strengthen the daily maintenance of water supply equipment such as water taps, water connectors and water pipes to avoid ineffective use or waste of water resources.

### Emission reduction



- Encourage employees to travel by foot, bicycle, public transportation or car-pooling instead of driving their own car;
- Strengthen the management and supervision of the use of vehicles for office use, eliminate the private use of vehicles for office use, and reduce unnecessary fuel gas emissions by improving the reasonable utilization rate of vehicles for office use;
- Priority is given to transportation with lower greenhouse gas emissions during business trips. At the same time, online communication is encouraged to replace non-essential travel.

#### Case

#### **Yeahka x World Environment Day**

June 5 is the World Environment Day. Yeahka actively focuses on environmental protection issues and implements the concept of green development. Yeahka Game launched a dedicated mini-game “Magic Board • World Environment Day” on World Environment Day. With basic ecological and environmental protection knowledge as the question bank, Yeahka has set up corresponding checkpoints and surprise prizes in the game, aiming to further popularize environmental protection knowledge and appeal to more consumers to practice environmental protection concepts.



## CHAPTER VI TECHNOLOGY TO REDUCE EMISSIONS FOR A GREEN FUTURE

### 6.2.2 WASTE MANAGEMENT

In 2022, the wastes involved in Yeahka were mainly waste paper, waste cartons and other daily office wastes generated in the office area. The Company has formulated standardized collection and treatment procedures for scrapped waste, domestic food waste and hazardous waste involved in business activities.

Daily office waste	Scrapped waste	Domestic food waste	Hazardous waste
<ul style="list-style-type: none"><li>• Mainly include waste cartons, waste paper cans, waste paper, etc.;</li><li>• Collected and stored by the cleaning service and delivered to waste recyclers for treatment.</li></ul>	<ul style="list-style-type: none"><li>• Mainly include scrapped equipment, devices and scrap materials;</li><li>• Collected by the property management company, of which construction waste will be removed and transported by the construction contractor, and other waste equipment will be disposed of by the waste recyclers.</li></ul>	<ul style="list-style-type: none"><li>• Mainly include domestic food waste generated from employees' office and dining;</li><li>• Collected by the cleaning service on a daily basis and placed in a fixed collection area for handling by the property management company.</li></ul>	<ul style="list-style-type: none"><li>• Mainly include waste batteries, waste ink cartridges, etc.;</li><li>• Waste batteries are collected by the front desk and delivered to the property management company, and are disposed of by qualified third-party agencies, while waste ink cartridges are replaced and collected by printer suppliers.</li></ul>

## CHAPTER VI TECHNOLOGY TO REDUCE EMISSIONS FOR A GREEN FUTURE



In addition, we actively promote green office measures to strengthen employees' awareness of environmental protection and cultivate employees' habit of garbage classification. At the same time, we have also added a food-saving publicity slogan on the home page of proprietary APP to promote a scientific and civilized catering consumption model, and advocate the concept of conservation to consumers so as to further reduce waste emissions. Specific measures include but are not limited to:

- **Paper:** We actively promote the paperless office, reduce the circulation or printing of paper documents, and advocate double-sided printing to reduce repeated printing and encourage paper recycling;
- **Disposable supplies:** Employees are encouraged to reduce the use of disposable stationeries and disposable tableware. Employees are encouraged not to use disposable supplies provided by the hotel during business trips and use self-owned cups and tableware to reduce waste generation;
- **Office supplies:** We review and approve the application for office supplies through the "Administrative Supplies Management" platform, reasonably allocate resources for new employees according to the principle of hierarchical application for office supplies for different positions, reducing the distribution of non-essential office supplies;
- **Office equipment:** We advocate for employees to care for office equipment, eliminate equipment damage caused by human errors, and encourage employees to check and report equipment damage in a timely manner to avoid greater equipment losses.

Case

### Yeahka x World Forest Day

March 21 is the World Forest Day. As the main body of the terrestrial ecosystem, the forest has great potential to tackle climate change. Yeahka pays attention to the importance of protecting forest resources and actively assumes environmental responsibility. By advocating online payment collection among merchants, it can save 3,013 tons of paper each year and protect 50,224 trees in the world.





## APPENDIX I TABLE OF 2022 ESG KEY PERFORMANCE DATA

### ENVIRONMENTAL SUBJECT AREA

KPIs		UNIT	2022
<b>Emissions</b>	SO <sub>2</sub> emissions	kg	0.03
	NO <sub>x</sub> emissions	kg	1.76
	PM emissions	kg	0.13
<b>GHG emissions</b>	GHG emissions (Scope 1) <sup>2</sup>	tCO <sub>2</sub> e	5.80
	GHG emissions (Scope 2) <sup>3</sup>	tCO <sub>2</sub> e	581.52
	Total GHG emissions	tCO <sub>2</sub> e	587.32
	GHG emission intensity	tCO <sub>2</sub> e/revenue RMB million	0.17
<b>Hazardous wastes</b>	Total hazardous wastes	tonnes	0.63
	Intensity of hazardous wastes	tonnes/revenue RMB million	0.00018
<b>Non-hazardous wastes</b>	Total non-hazardous wastes	tonnes	28.83
	Intensity of non-hazardous wastes	tonnes/revenue RMB million	0.01
<b>Energy consumption</b>	Total energy consumption	mWh	742.02
	Direct energy consumption	mWh	18.92
	Indirect energy consumption	mWh	723.10
	Energy consumption intensity	mWh/revenue RMB million	0.22
	Total electricity consumption	mWh	723.10
	Gasoline consumption	Liters	2,181.00
<b>Water consumption</b>	Water consumption	m <sup>3</sup>	813.17
	Water consumption intensity	m <sup>3</sup> /revenue RMB million	0.24

<sup>2</sup> Scope 1 greenhouse gas emissions mainly come from direct greenhouse gas emissions generated by fossil fuel consumption (such as gasoline, diesel, natural gas, etc.) in the Company's operation/production process.

<sup>3</sup> Scope 2 greenhouse gas emissions mainly come from indirect greenhouse gas emissions generated by purchased electricity and steam consumption (such as gasoline, diesel, natural gas, etc.) in the Company's operation/production process.

## APPENDIX I TABLE OF 2022 ESG KEY PERFORMANCE DATA



### NOTES ON ENVIRONMENTAL DATA AND FACTORS

1. The scope of data collection covers the Company's three office premises in Shenzhen, and the time span is from January 1, 2022 to December 31, 2022.
2. The types of energy consumed by the Company include fuel for official vehicles and purchased electricity, with the data source from the payment bills of related expenses and the administrative ledgers. For the energy consumption factors, please refer to the conversion factors provided by the International Energy Agency and "GB/T2589-2008 General Principles for Calculation of the Comprehensive Energy Consumption".
3. The water supply of the Company comes from the municipal water supply network, and there is no problem in obtaining an appropriate water source, with the data sources from financial records and administrative ledgers.

### SOCIAL SUBJECT AREA

KPIs		2022	
Total workforce by gender, employment type, age group and geographical region			
		Number of employees (People)	Percentage (%)
By gender	Male	729	56.12
	Female	570	43.88
By employment type	Full-time	1299	100.00
By age group	Below 30	781	60.12
	Aged 31-40	471	36.26
	Aged 41-50	46	3.54
	Above 50	1	0.08
By geographical region	Mainland China	1295	99.69
	Overseas, Hong Kong, Macao and Taiwan	4	0.31
<b>Total workforce</b>		<b>1,299</b>	
Employee turnover rate by gender, age group and geographical region			
		Number of turnover employees (People)	Turnover rate (%)
By gender	Male	202	21.70%
	Female	118	17.15%
By age group	Below 30	216	21.66%
	Aged 31-40	91	16.19%
	Aged 41-50	13	22.03%
	Above 50	0	0.00%
By geographical region	Mainland China	318	19.71%
	Overseas, Hong Kong, Macao and Taiwan	2	33.33%



## APPENDIX I TABLE OF 2022 ESG KEY PERFORMANCE DATA

<b>Health and Safety</b>			
Number of work-related fatalities		0 (no work-related fatalities occurred in the past three years)	
Lost days due to work injury		70	
<b>Percentage of employees trained and average training hours completed per employee by gender and rank</b>			
		<b>Percentage of employees trained</b>	<b>Average Training hours completed per employee</b>
By gender	Male	97.39%	49.35
	Female	72.81%	34.23
By rank	Senior management	100.00%	37.70
	Middle management	81.90%	53.19
	General employees	87.39%	40.49
<b>Number of Suppliers</b>			
Number of Suppliers	Number of suppliers signed the “Letter of Commitment for Anti-commercial Bribery”	60	
	Number of suppliers who have implemented relevant policies (especially environmental protection and social policies)	16	
<b>Customer Service Data</b>			
Number of customer complaints (Cases)		100,754	
Number of follow-up visits (Cases)		145,116	

# APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX



	ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
<b>A1 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	Technology to Reduce Emissions for A Green Future
<b>A1.1</b>	The types of emissions and respective emissions data.	Disclosed	Appendix I
<b>A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	Technology to Reduce Emissions for A Green Future
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	Technology to Reduce Emissions for A Green Future
<b>A2 General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Technology to Reduce Emissions for A Green Future



## APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

ESG INDICATORS		DISCLOSURE	CORRESPONDING CHAPTER
<b>A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
<b>A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Technology to Reduce Emissions for A Green Future
<b>A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	Technology to Reduce Emissions for A Green Future and Appendix I
<b>A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable. Our primary businesses do not involve the use of packaging materials.	-
<b>A3 General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	Technology to Reduce Emissions for A Green Future
<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Technology to Reduce Emissions for A Green Future
<b>A4 General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Disclosed	Technology to Reduce Emissions for A Green Future
<b>A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Disclosed	Technology to Reduce Emissions for A Green Future

## APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX



ESG INDICATORS		DISCLOSURE	CORRESPONDING CHAPTER
<b>B1 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Disclosed	Appendix I
<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix I
<b>B2 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Appendix I
<b>B2.2</b>	Lost days due to work injury.	Disclosed	Appendix I
<b>B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B3 General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix I
<b>B3.2</b>	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix I



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	ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
<b>B4 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B5 General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B5.1</b>	Number of suppliers by geographical region.	According to the actual needs of current business management, we have not yet conducted supplier statistics in this aspect.	-
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Technology Sharing to Assist in Win-win Cooperation
<b>B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Technology Sharing to Assist in Win-win Cooperation

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ESG INDICATORS		DISCLOSURE	CORRESPONDING CHAPTER
<b>B6 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	Technology Empowerment to Lead Product Innovation
<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. Our core products and services do not involve safety and health risks.	-
<b>B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Disclosed	Appendix I and Technology Empowerment to Lead Product Innovation
<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Technology Empowerment to Lead Product Innovation
<b>B6.4</b>	Description of quality assurance process and recall procedures.	Disclosed	Technology Empowerment to Lead Product Innovation
<b>B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Technology Empowerment to Lead Product Innovation





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	ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
<b>B7 General Disclosure</b>	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	Enhance Corporate Responsibility in 2022
<b>B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	Enhance Corporate Responsibility in 2022
<b>B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Enhance Corporate Responsibility in 2022
<b>B7.3</b>	Description of anti-corruption training provided to directors and staff.	Disclosed	Enhance Corporate Responsibility in 2022
<b>B8 General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosed	Technology Aid in Building Harmonious Communities Together
<b>B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Technology Aid in Building Harmonious Communities Together
<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus areas.	Disclosed	Technology Aid in Building Harmonious Communities Together

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