

Yeahka 移卡

Yeahka Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9923.HK



2023

Environmental, Social and
Governance Report

ABOUT THIS REPORT

REPORTING INTRODUCTION

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

REPORTING SCOPE

The reporting period disclosed in this Report is from January 1, 2023 to December 31, 2023 (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 (<https://www.yeahka.com/>) or the website of The Stock Exchange of Hong Kong Limited (<https://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 C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “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.

PRINCIPLE	DEFINITIONS	RESPONSES FROM THE COMPANY
Materiality	The issuer should report on the ESG issues as determined by the Board to have a material impact on investors and other stakeholders.	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 make meaningful comparisons later.	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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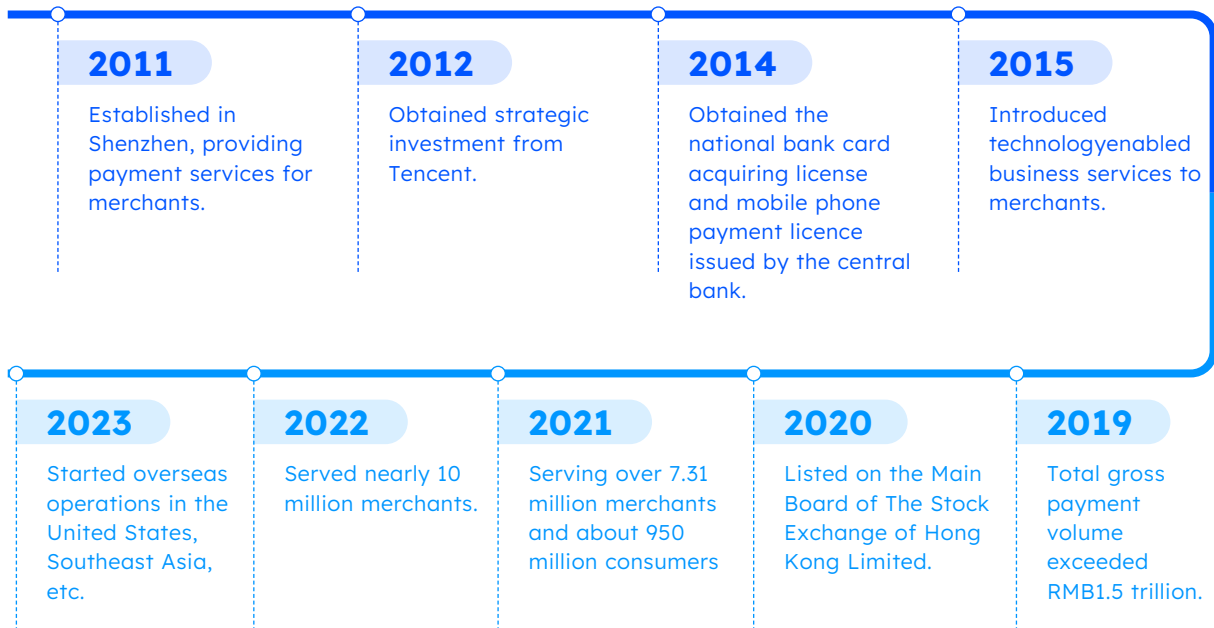
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CHAPTER I COMPANY YEARBOOK FOR 2023

1.1 ABOUT US

As a leading payment-based technology platform, Yeahka has been focusing on creating value for our merchants and consumers. We are aimed at 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, including in-store e-commerce services and merchant solutions. By the end of 2023, we had provided one-stop payment services, merchant solutions, and in-store e-commerce services for more than 9.2 million merchants, helping merchants better manage and drive their business growth. Meanwhile, we have provided consumers with more favorable and convenient local lifestyle services.

The Company adheres to the values of “innovation, integrity, proactivity and responsibility”, continues to make creations and breakthroughs in technology, products and services with forward-looking thinking, and is committed to creating more value for merchants and bring more convenience to life. We adhere to the principle of integrity and mutual trust, and establish long-term, cooperative and mutually beneficial relationships with internal and external stakeholders; we have the ambition to strive for improvement and progress, which drives us to continuously improve our technology and services, achieve sustainability, go beyond expectations, and meet the needs; we dare to take responsibility and always make decisions by considering the overall situation, and we dare to face difficulties and challenges bravely, remain optimistic, strive for the best results, and surpass ourselves. We are committed to promoting the vigorous development of the commercial digitalized ecosystem and becoming the most trustworthy technology company.





Development history of Yeahka

CHAPTER I COMPANY YEARBOOK FOR 2023

1.2 DETAILS ABOUT YEAHKA

ECONOMIC PERFORMANCE


Total assets
RMB **8,420,361**
thousand


Total equity
RMB **2,617,401**
thousand


Total revenue
RMB **3,950,585**
thousand

OPERATIONAL PERFORMANCE

One-Stop Payment Services

- Total Gross Payment Volume (“GPV”) reached **RMB2,882.9 billion**, Year-on-Year (“YoY”) growth by **29.2%**;
- Over **9.2 million** active payment merchants, YoY growth by **13.3%**.

In-Store E-Commerce Services

- Total Gross Merchandise Value (“GMV”) > **RMB4.3 billion**, YoY growth by **30.3%**;

Merchant Solutions

- Number of active merchant solutions merchants > **1.6 million**, YoY growth by **30.8%**;

ESG PERFORMANCE

Environmental (E)

- By centrally managing and allocating resources through Yeahka private clouds, the overall utilization efficiency of computing resources has been increased by over **8%**;
- Increased the proportion of clean energy used in data operation centers to build green data centers, make full use of natural cooling sources for cooling to enhance energy efficiency and reduce greenhouse gas emissions.

Social (S)

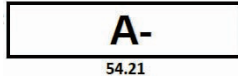
- Strengthened transaction risk control, made over **17 billion** risk decisions, achieved **21%** YoY growth in data processing, and conducted risk treatment on more than **15 million** risk transactions;
- Developed **more than 10** AI functions including AI content generation tools, AI cloud editing tools, AI short videos, digital human live streaming, etc;
- Promoted public welfare innovation with product innovation, and assisted micro, small and medium-sized merchants in conducting digital operations.

Governance (G)

- Conducted training related to anti-corruption and anti-money laundering for employees, with **100%** training coverage;
- During the Year, Yeahka did not experience any violations of laws and regulations related to corruption or bribery, customer privacy data, conflict of interest, money laundering or insider trading.

CHAPTER I COMPANY YEARBOOK FOR 2023

1.3 HONORS AND AWARDS



Hang Seng ESG Rating (A-)

S&P Global ESG Score

54

Data Availability: | Very High

Methodology Year: 2023

S&P Global ESG Score (54)
Included in First Sustainability Yearbook 2023 (China Edition)



2023 Innovative Service List TOP 100



2023 Transform Awards Asia
Best Brand Evolution (Business) & Best Visual Identity from the
Professional Services Sector Bronze

CHAPTER I COMPANY YEARBOOK FOR 2023



Best ESG Company in the Eighth Zhitong Finance Listed Company Awards



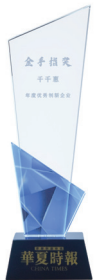
Outstanding Digital Innovation Enterprise of the Economic Observer 2023



CLS.CN Best Value & Innovation Award of the Year



“Jinge Award” for Outstanding Digital Technology Enterprise 2023



Golden Finger Award for Excellent Innovative Enterprise of the Year

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

2.1 ESG GOVERNANCE

Yeahka has been fulfilling its mission and vision of “continuously creating a better future”, attaches great importance to ESG management, actively integrates ESG elements into the Company’s strategic goals, and implements them into the daily business operation and management. We have also been improving the ESG governance system and seeking a harmonious and win-win situation between the Company’s development and the society and the environment.

2.1.1 ESG STRATEGY

As guided by the United Nations Sustainable Development Goals (SDGs), our ESG governance work in 2023 focused on Yeahka’s long-term impact and positive development in the segments of business operations, upstream and downstream partners, users, community and industry, and the environment. We integrated the concepts of environmental and social responsibility into all aspects of the Company’s operations and management, and implemented the Company’s ESG strategy.



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
- Create an inclusive, equal and humane working environment for employees and cultivate a diverse and relaxed working atmosphere
- Adhere to business ethics and safeguard the rights and interests of all stakeholders



Users



- Assist merchants in continuously improving operational efficiency. Digital inclusive finance lowers the marketing threshold for small and micro 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
- Listen to user feedback and opinions, ensure the security of user personal information, and protect the original content of KOLs



Upstream And Downstream Partners



- Continuously improve the standardization and transparency of the procurement process, and create a responsible supply chain
- Pay great attention to the social risks associated with the supply chain, provide sustainability training to partners, and create a good business environment

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023



Communities & Industries



- Increase investment in public welfare and community development, provide business support for small and micro merchants, and care about children’s education and health
- 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 carbon peak and neutrality goals
- Advocate green and environmental protection, and integrate low-carbon and environmental protection concepts into our business operations
- Strengthen corporate management of climate change response and help society transition to a low-carbon future

2.1.2 ESG VISION AND GOALS




Using SDGs as a guide for action, Yeahka identifies the most important ESG areas in its operations, value chain and business ecosystem, sets specific ESG strategic goals and improves its ESG vision based on the actual situation, and actively implements corresponding initiatives to continuously contribute to the sustainable development of the Company and its stakeholders.

Our Focus on the United Nations Sustainable Development Goals	Key Areas	Responsibility Initiatives
 No poverty	Technology Aid in Boosting Social Development	<ul style="list-style-type: none"> • Drive public welfare innovation with product innovation, and help micro, small and medium-sized merchants digitize their operations
 Good health and well-being	Technology Sharing to Build Diverse Teams Technology Aid in Boosting Social Development	<ul style="list-style-type: none"> • Providing diversified benefits and health protection for employees • Sending holiday warmth to small and micro merchants

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

Our Focus on the United Nations Sustainable Development Goals	Key Areas	Responsibility Initiatives
 <p>Gender equality</p>	<p>Achieve gender equality and empower all women and girls</p> <p>Technology Sharing to Build Diverse Teams</p>	<ul style="list-style-type: none"> • Advocating equality and diversity and caring for the physical and mental health of female employees • Providing courses and training on anti-discrimination and anti-harassment for employees
 <p>Clean water and sanitation</p>	<p>Ensure availability and sustainable management of water and sanitation for all</p> <p>Technology for Emission Reduction to Embrace a Green Future</p>	<ul style="list-style-type: none"> • Advocating green office and effectively controlling the utilization of resources in office area
 <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 Build Diverse Teams</p>	<ul style="list-style-type: none"> • Creating an equal and diverse workplace • Setting up a sound performance appraisal, remuneration and promotion mechanism • Setting up a targeted employee training system and conducting training programs
 <p>Industry, innovation and infrastructure</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p> <p>Technology Empowerment to Lead Innovation and Development</p>	<ul style="list-style-type: none"> • Innovative research and development, and continuous improvement of products • Response to customer needs and improvement of customer experience • Protection of customer privacy and information security
 <p>Sustainable cities and communities</p>	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>Technology Aid in Boosting Social Development</p>	<ul style="list-style-type: none"> • Focusing on children's education and growth and supporting community development
 <p>Responsible consumption and production</p>	<p>Ensure sustainable consumption and production patterns</p> <p>Technology Empowerment to Lead Innovation and Development</p> <p>Technology Sharing to Build Diverse Teams</p>	<ul style="list-style-type: none"> • Practicing responsible procurement and strengthening integrity management • Effective integration of ESG factors into supplier evaluation and management process

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

Our Focus on the United Nations Sustainable Development Goals	Key Areas	Responsibility Initiatives
 <p>Climate action</p>	<p>Take urgent action to combat climate change and its impacts</p>	<p>Technology for Emission Reduction to Embrace a Green Future</p> <ul style="list-style-type: none"> Identifying climate change risks and taking measures to prevent or mitigate their impacts Exploring new fields and seizing climate related opportunities
 <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>Enhanced Corporate Responsibility in 2023</p> <ul style="list-style-type: none"> Setting up three lines of defense for risk management to ensure compliant operation Active training and advocacy on anti-corruption and anti-money laundering
 <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 Innovation and Development</p> <ul style="list-style-type: none"> Win-win cooperation with suppliers and agents by promoting digital transformation of the industry

2.1.3 BOARD'S STATEMENT

Yeahka attaches great importance to ESG-related work, proactively fulfills its corporate social responsibilities, and integrates ESG concepts into the Company's strategy, in an attempt to achieve long-term and high-quality sustainable development.

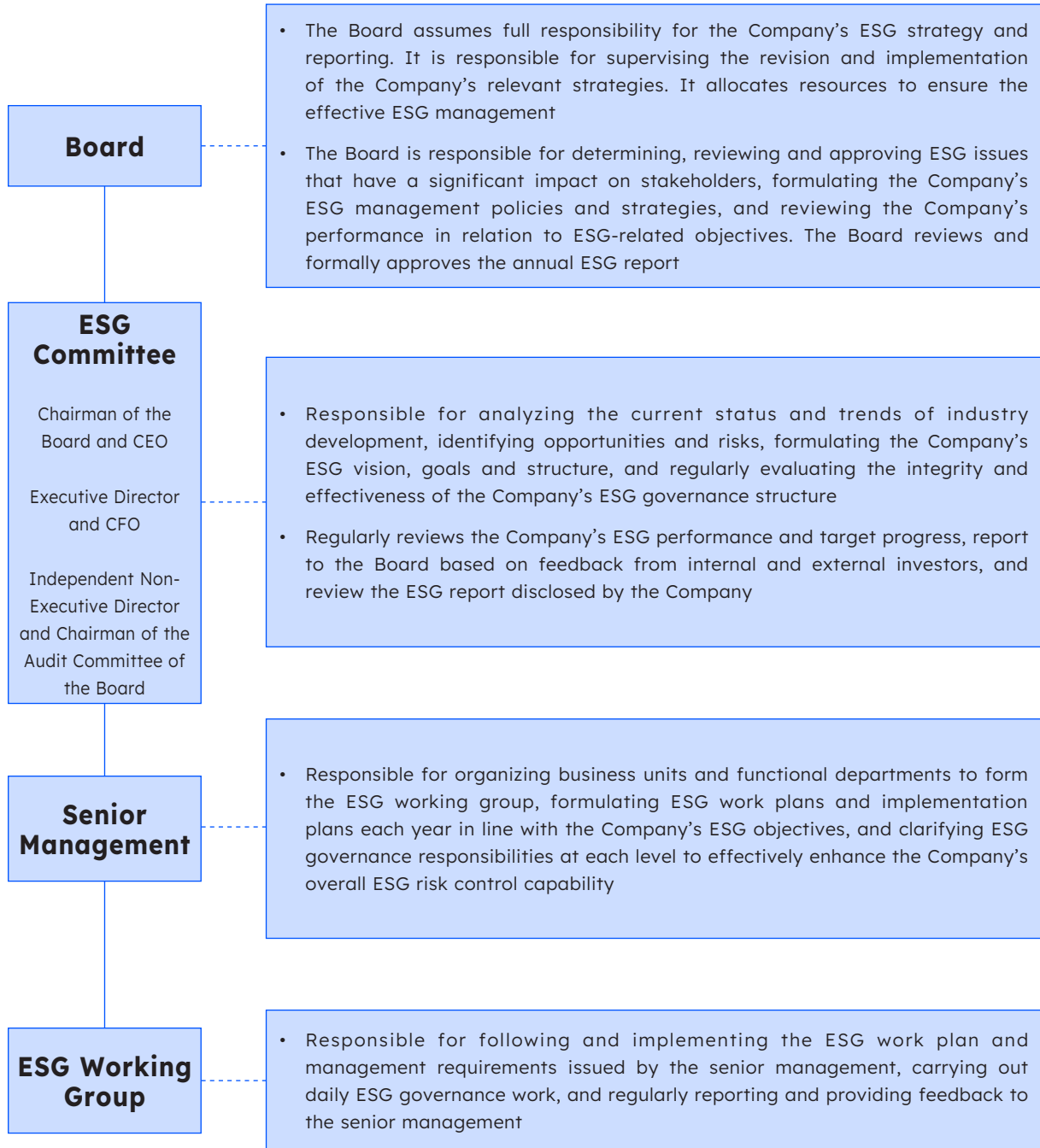
To effectively supervise and implement the Company's ESG-related work, we have set up an ESG Committee at the Board level, which is responsible for supervising ESG related matters. The ESG Committee participates in the formulation and promotion of ESG strategies, regularly reviews the establishment and implementation of ESG goals, allocates resources to ensure the effective operation of ESG management, and formally approves the annual ESG report of the Company. Under the guidance of the ESG Committee, the Company's senior management organizes the business units and functional departments to form an ESG Working Group, which 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.

While providing relevant organizational guarantees, we will continue to drive product innovation with technological innovation, practice green and low-carbon concept in the Company's daily management and business activities, care about the development of employees and social well-being, and join hands with all stakeholders to create a better future.

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

2.1.4 ESG GOVERNANCE STRUCTURE

We are committed to continuously improving the Company’s ESG governance level and optimizing our ESG governance structure, and effectively implement our ESG management responsibilities while achieving the Company’s self-development. Our ESG governance structure is as follows:







CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023




2.2 COMMUNICATION WITH STAKEHOLDERS

2.2.1 COMMUNICATION WITH ESG STAKEHOLDERS

Yeahka attaches great importance to the opinions and suggestions of its stakeholders and engages in regular, open and transparent communications with all stakeholders. To better respond to the expectations of all stakeholders, we have established and improved the communication and participation mechanism, collect and analyze stakeholder demands from multiple channels, and constantly integrate them into the Company's relevant decisions making. We also insist on reviewing and improving our ESG governance, and strive to achieve common growth of the Company and stakeholders with practical actions.

TYPE OF STAKEHOLDERS	DEMANDS AND EXPECTATIONS	COMMUNICATION AND RESPONSE
Users 	<ul style="list-style-type: none"> High-quality customer service User Privacy and Security Protection User rights and interests protection 	<ul style="list-style-type: none"> Improve the quality of products and services Strictly keep user information confidential Improve the user communication mechanism
Merchants 	<ul style="list-style-type: none"> Product safety and operation maintenance Industrial upgrading Prevent business risks Long-term and stable cooperation 	<ul style="list-style-type: none"> Improve the quality of products and services Facilitate digital transformation Industry research Establish regular communication mechanisms
Investors and shareholders 	<ul style="list-style-type: none"> Industry trends and policies Return on investment Protection of rights and interests Information disclosure transparency 	<ul style="list-style-type: none"> Timely update business progress Improve profitability Hold shareholder meetings Regularly disclose reports and announcements
Employees 	<ul style="list-style-type: none"> Protection of employee rights and interests Employee career development Employee care 	<ul style="list-style-type: none"> Provide a reasonable remuneration and benefits system Optimize talent training, assessment and promotion mechanisms Conduct employee activities

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

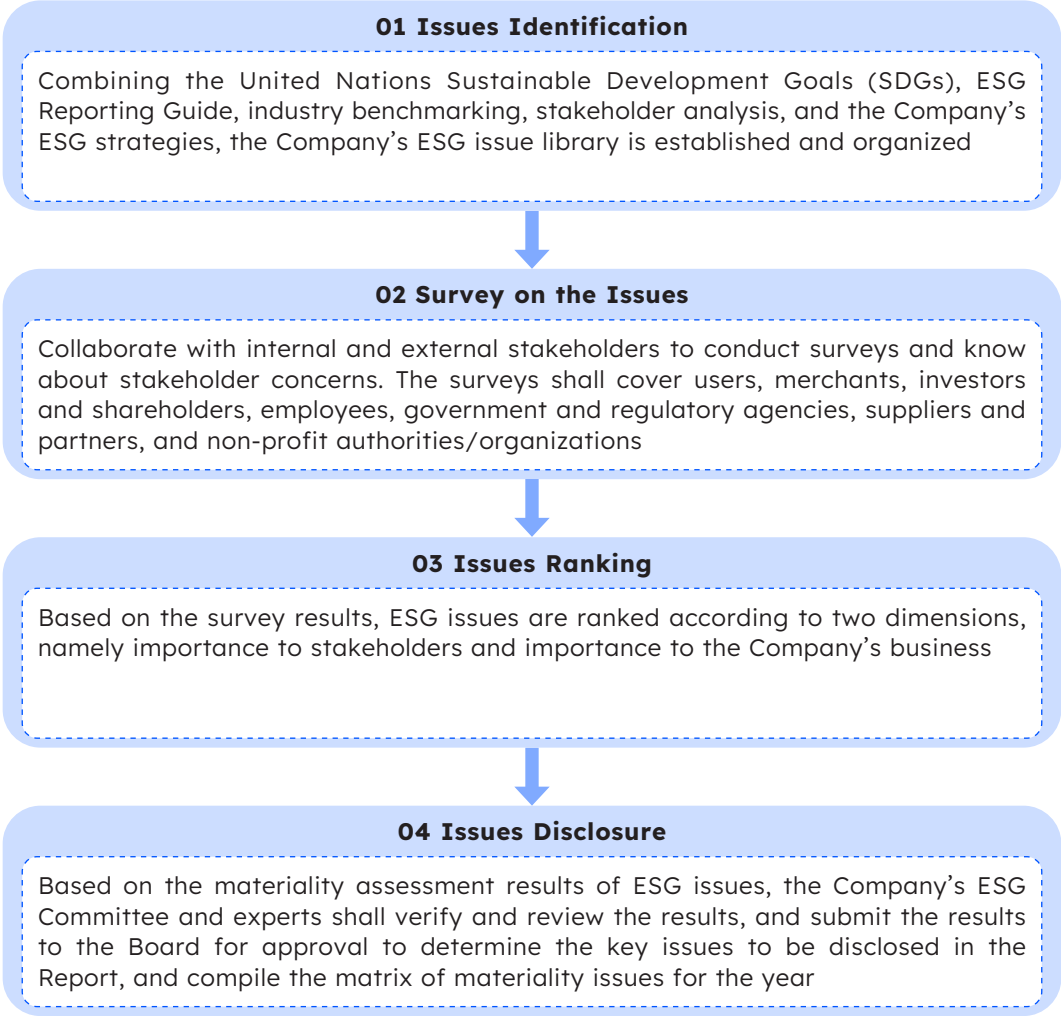
TYPE OF STAKEHOLDERS	DEMANDS AND EXPECTATIONS	COMMUNICATION AND RESPONSE
Government and regulatory agencies 	<ul style="list-style-type: none"> • Compliance with national laws and regulations • Compliant operation and tax payment according to law • Promoting employment 	<ul style="list-style-type: none"> • Operate in compliance with laws and regulations • Accept supervision and assessment • Actively participate in employment stabilization activities
Suppliers and partners 	<ul style="list-style-type: none"> • Code of Business Conduct • Sustainable supply chain • Mutual benefit and reciprocity 	<ul style="list-style-type: none"> • Standardized management and optimization of supply chain • Responsible procurement • Regular communication and exchange
Non-profit authorities/ organizations 	<ul style="list-style-type: none"> • Community Engagement • Charity 	<ul style="list-style-type: none"> • Community building and development • Carry out public welfare activities

2.2.2 MATERIALITY ASSESSMENT OF ESG ISSUES

During the Reporting Period, the Company paid attention to the disclosure requirements of the market, the industry and the regulatory authorities, took into account the Company's business characteristics, development strategy and excellent practices of its peers, and comprehensively identified, solicited and evaluated the opinions and suggestions of various stakeholders. Then we ranked the materiality of ESG issues for the Year in terms of their importance to the stakeholders and to the Company's business, and clarified the key points of disclosure in the ESG report for the Year and the Company's ESG-related strategic goals in the future.

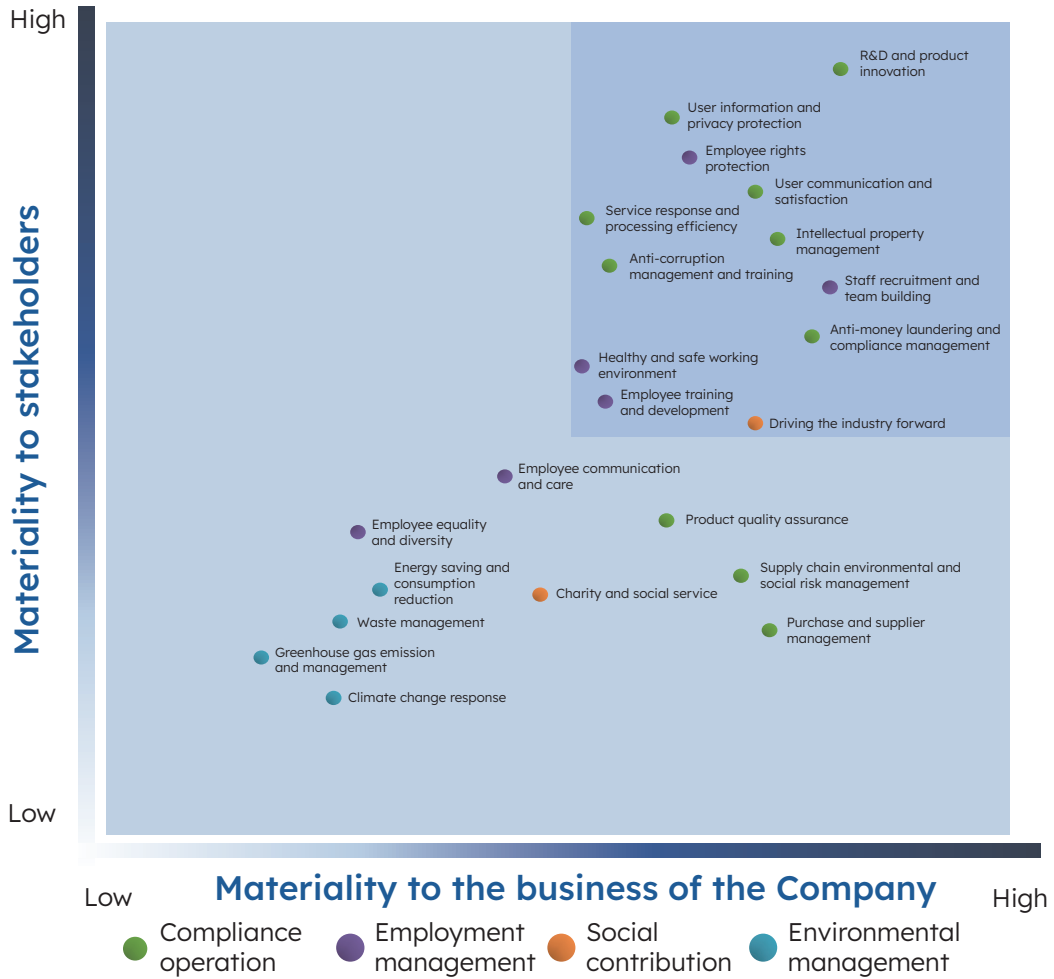
CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

We conduct materiality assessment by the following process:



CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

The matrix and ranking of Yeahka's ESG materiality issues for 2023 are as follows:



CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

Very important	Product liability	R&D and product innovation
	Product liability	User information and privacy protection
	Product liability	User communication and satisfaction
	Product liability	Intellectual property management
	Anti-corruption	Anti-money laundering and compliance management
	Employment	Staff recruitment and team building
	Community investment	Driving the industry forward
	Employment	Employee rights protection
	Product liability	Service response and processing efficiency
	Anti-corruption	Anti-corruption management and training
	Health and safety	Healthy and safe working environment
	Employment	Employee training and development
Important	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
Less important	Resource usage	Energy saving and consumption reduction
	Emission	Waste management
	Emission	Greenhouse gas emission and management
	Climate change	Climate change response

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

Through research of stakeholders and the process of determining the materiality issues, the Company summarized 22 ESG issues from four related categories, namely, compliance operations, employment management, social contribution and environmental management, including 12 very important issues, which are the same as the those of the previous year. Compared with 2022, the Company's internal and external stakeholders still regard compliance operation and employment management as the most important areas, including anti-money laundering and compliance management, staff recruitment and team building, anti-corruption management and training. We will prioritize the disclosure of relevant issues in this Report and continue to pay attention to and focus on relevant issues in the future ESG development and management work, so as to respond to the concerns of stakeholders.

2.3 CORPORATE GOVERNANCE

Yeahka has always regarded compliance with laws and regulations as a prerequisite for all operational activities, and has established a sound governance mechanism, and deeply implemented the codes of conduct on corporate governance, compliance management, risk management and anti-corruption, thereby laying a solid foundation for the Company's sound development. Meanwhile, we continue to improve our internal business ethics compliance and risk management construction, continuously carry out anti-money laundering and anti-fraud related publicity and training, and strengthen internal control to effectively prevent fraud and corruption, and create a clean and sunshine corporate atmosphere.

2.3.1 CORPORATE GOVERNANCE

Yeahka strives to build an open, transparent and efficient corporate governance system, and strictly follows the selection procedures stipulated in the laws of the place of operation and the Company's Articles of Association to elect directors. Our non-executive directors provide the Board with rich industry experience and expertise. In 2023, more than 40% of the Board members are independent non-executive directors (among the current 7 directors, 3 are independent non-executive directors, 1 is a non-executive director, and 3 are executive directors).

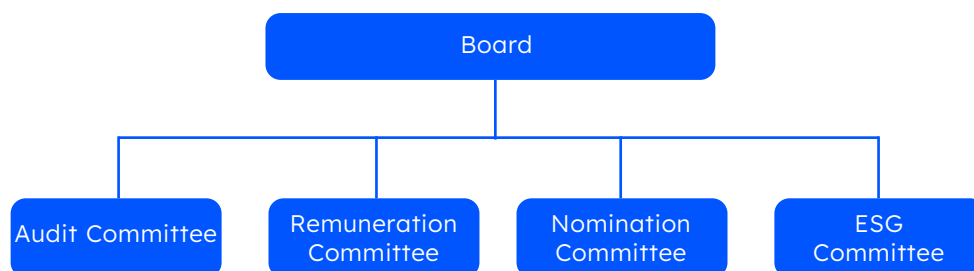
The Board has established four Board committees¹, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee, to supervise specific aspects of the Company's affairs, and provide professional advice and reference for the decision-making of the Board. The Company 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.

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. Our Board members have extensive industry experience and diverse backgrounds in fields such as computer science, economics, business

¹ For more details on corporate governance, please refer to page 69 to page 93 of the "Corporate Governance Report" section in the 2023 Annual Report of Yeahka Limited.

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

administration, chemistry and civil engineering, possessing professional abilities in multiple areas. Currently, we are actively seeking female candidate(s) to join the Board, with a view to promoting a more diverse governance structure and enhancing our corporate governance level.



- There are 3 executive directors on the Board and the remaining 4 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.

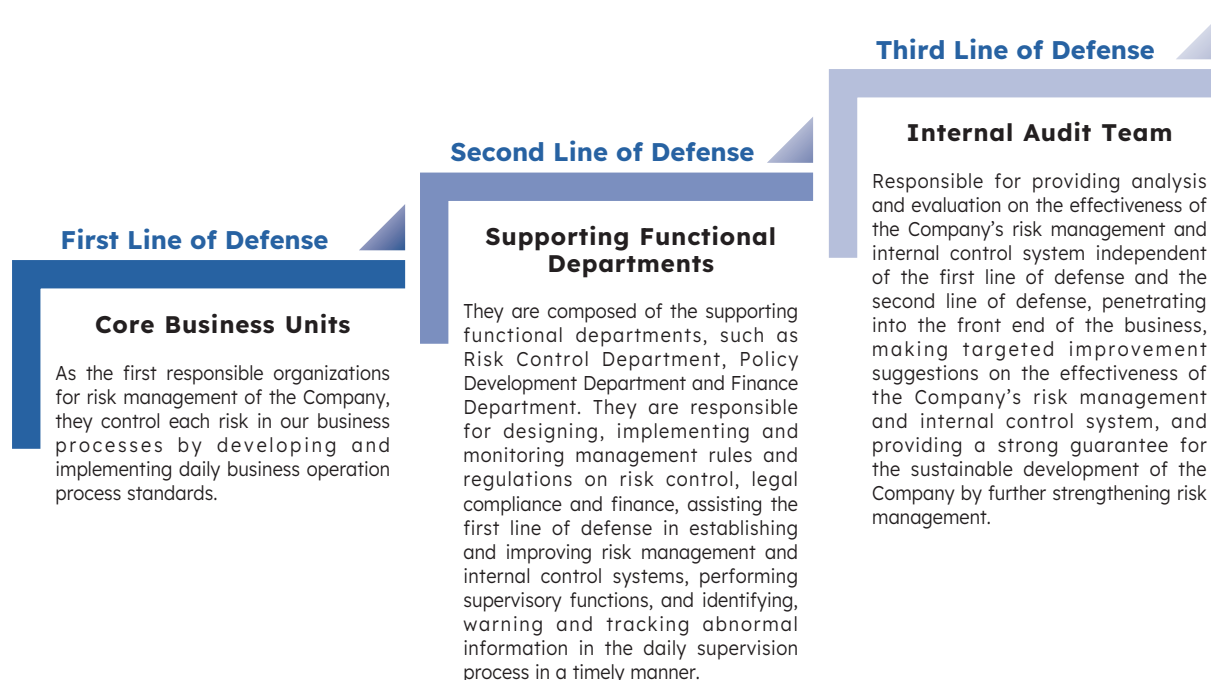
2.3.2 COMPLIANCE AND RISK MANAGEMENT

Yeahka attaches great importance to compliance construction and risk management, and has established the Risk Management Committee as the highest decision-making body of the Company's risk management. We have implemented a series of risk management regulations such as the "Risk Management Internal Control System" and the "Internal Audit System" to effectively identify, assess, monitor and respond to various risks faced by the Company in operations, strengthen the management, information notification and supervision of major risks, and ensure sound development of the Company.

The Risk Management Committee regularly reports work to the Board and the Audit Committee to ensure the scientific and transparent decision-making. The Board reviews the effectiveness of the Company's risk management and internal control systems at least once a year. Such review covers all the material aspects of control, including material risks and the Company's ability to respond, the scope and quality of management's ongoing monitoring of the risk and internal control systems, the internal audit function, and whether there are any material control failures or weaknesses in control and their impact.

The Company has established three lines of defense for risk management and internal monitoring system to continuously improve its compliance and governance capabilities through daily supervision and special supervision and inspection on the implementation of risk management and internal control. We also encourage employees to proactively identify and report potential risks, and conduct risk management and compliance-related training for all employees to raise their awareness of risks and build an internal compliance culture through regular publicity.

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023



Three lines of defense for risk management and internal control system

2.3.3 ANTI-MONEY LAUNDERING AND ANTI-FRAUD

The Company attaches great importance to anti-money laundering and anti-fraud management. We strictly comply 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", and improve the "Anti-Money Laundering and Anti-Terrorist Financing Internal Control System", the "Anti-Money Laundering Internal Reporting System", and other systems according to our business development and regulatory requirements to promote the establishment of anti-money laundering management.

We have gradually improved the anti-money laundering organizational structure. 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. The Anti-money Laundering Leading Group, which is composed of heads from various business and functional departments, is responsible for overseeing, guiding and coordinating the Company's anti-money laundering work. The Anti-money Laundering Group under the Financial Policy Development Department is responsible for performing daily tasks under the guidance of the Leading Group and ensure the implementation of various work requirements for anti-money laundering.

In order to comprehensively promote anti-money laundering and anti-fraud related work, the Company set up a special post for analysis of fraudulent transactions and false transactions. Based on the full network access information of registered merchants, underlying transaction data and application information, we've built a solid and effective anti-fraud defense network system, which can, through the combination of professional experience and data models, establish corresponding prevention and control measures in a timely and effective manner to protect the healthy operation of our business. During the Year, Yeahka did not experience any violations of laws and regulations or cases related to money laundering, conflict of interest or insider trading.

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

1. Merchant entry verification

- **Whitelist invitation:**

Each channel project adopts the application method of filing a whitelist invitation or opening the entrance to customers that meet the threshold conditions. Each channel project adopts the application method of filing a whitelist invitation or opening the entrance to customers that meet the threshold conditions. In case of abnormal fluctuations in channel application for entries or cross validation of a group of network customers, the system dynamically monitors and alerts in real time and automatically generates case investigation and disposal tasks, effectively intercepting fraudulent application attacks before lending.
- **Intelligent identity verification:**

The Company comprehensively uses live detection, image recognition and other technologies to form a non-contact intelligent identity verification approach, and utilizes image information comparison on mobile APP to assist in remote identity verification, which greatly improves the time efficiency of verification.

2. Merchant entry verification

- **Operational authenticity risk:**

With respect to the risk of operational authenticity, the Company has developed a fraud identification model and a circulating manual review and investigation strategy based on characteristics of the industry in which the customer operates and the underlying transaction data, and continuously optimizes the accuracy of investigation on the customer's operational authenticity, so as to eliminate the risk of operational fraud for the purpose of reasonable credit granting.
- **Rule engine monitoring:**

The Company intercepts risky transactions in real-time through the risk control rule engine at the merchant transaction stage. We have also built data models based on centrality, decision trees and other algorithms to solve pain points under the traditional risk control model such as limited dimensions of rules and information and easily breakable rules and conditions thresholds.

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

In 2023

The Company's risk control system has made 17 billion+ risk decisions, with a 21% increase in data processing. Fifteen million+ risky transactions have been handled to ensure transaction security

3. Consumer behavior analysis

- **Consumer behavior tracking:**

Through the association mapping platform, the Company monitors the correlation of the merchant access information, such as ID card, settlement card and business license number, and visually displays the merchant's risky correlation network, so as to screen, judge and intercept the merchants with a tendency to engage in gambling and fraud in the pre-entry process; by tracking consumer behavior from the perspective of merchant transactions, the Company determines whether there is an association with the same merchant or across merchants during the transaction process, and monitors the risk of aggregation of abnormal relationships, thus preventing gambling risks and enhancing the risk interception and prevention capabilities.

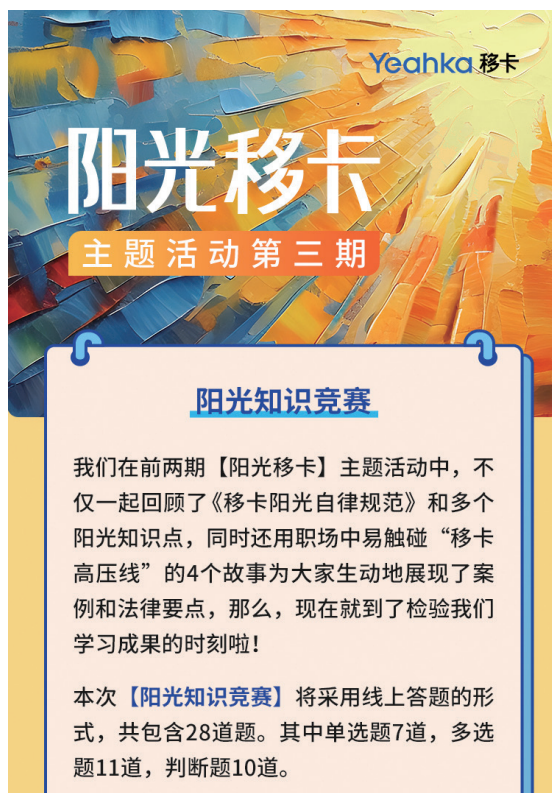
2.3.4 ANTI-CORRUPTION GOVERNANCE

Yeahka has always been adhering to the basic principle of integrity and compliance. Based on the "Sunshine Code of Conduct", "Anti-Fraud System" and other related systems, we have constantly optimized the anti-fraud and anti-corruption management systems, and hold a zero tolerance attitude towards corruption, bribery, fraud, extortion and other acts. At present, the Company has set up a perfect anti-fraud governance structure and internal control mechanism from top to bottom, and is committed to creating a clean business environment.

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

We have set the Yeahka public reporting email for reporting illegal and disciplinary violations in the workplace, allowing the whistleblowers to reflect and report any violations of laws and regulations by the Company and its employees via email. In order to effectively safeguard the legitimate rights and interests of whistleblowers, the Company has developed the “Whistleblower Protection System” during the Year. The Internal Audit and Control Department strictly maintains confidentiality in all the key processes such as acceptance, investigation and rewards, and adopts “one-on-one single-line contact” to prevent the leakage of the whistleblower’s information. Those who intentionally leak the reported information or disclose any confidential information will be treated as a disciplinary offense, and those with serious circumstances will be dismissed for punishment. For whistleblowers who report truthfully, we will provide rewards based on their different performances and contributions, and offer organizational care and protection on the premise of confidentiality.

To strengthen the construction of anti-corruption and integrity, and enhance employees’ awareness of integrity and compliance, the Company continued to carry out all kinds of anti-corruption training and publicity for new and old employees in 2023, incorporating anti-corruption training into the mandatory courses for induction training of new employees. We have also organized a series of Sunshine Yeahka themed activities, emphasized the key points in the “Yeahka Sunshine Self-Discipline Code” and the Yeahka high-voltage lines, so as to build a solid line of defense for integrity and self-discipline. Our anti-corruption training achieved a training coverage rate of 100%, and no concluded legal cases regarding corrupt practices brought against the Company or its employees were recorded during the Year.



Sunshine Yeahka Themed Activity

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

Case Special training on anti-corruption and anti-money laundering

In order to enhance new employees' awareness of anti-corruption and anti-money laundering and effectively prevent any violations, Yeahka carried out a special training on anti-corruption and anti-money laundering for new employees in 2023. The training content mainly includes red line requirements, basic knowledge of anti-money laundering, and case warning education. The training focuses on the compliance obligations, business ethics and personal code of conduct that new employees should undertake after joining the Company, and strengthens their awareness and understanding through actual cases.



Training on Anti-Money Laundering Rules for New Employees

In the future, the Company will continue to carry out publicity and education activities on business ethics and anti-corruption, and conduct various types of compliance training to implant a culture of integrity into the heart of every employee, thus further improving the Company's integrity governance and ensuring its healthy and sustainable development.

CHAPTER II ENHANCED CORPORATE RESPONSIBILITY IN 2023

2.3.5 PREVENTION OF EMERGING RISKS

With the accelerating technological change and economic growth, various industries are enjoying the convenience arising from digital transformation while also facing the risks associated with technological innovation. According to a survey conducted by the World Economic Forum (WEF), with the rise of AI technology, the risk of “adverse outcomes of AI technologies” will continue to test the global digital system for the next decade, while the accompanying risk of “misinformation and disinformation” will become the biggest short-term risk in the next two years. Failure to make a timely and effective response could have an impact on our business continuity and diminish consumer trust in our digital services.

To better address the above two AI-related risks, Yeahka has strictly regulated the Company’s AI Apps and other applications from the two aspects of technological improvement and strict review to ensure that they do not mislead consumers and the public. At the technical level, we constantly refine our technology, conduct systematic interdisciplinary research, and improve our algorithms and data models to avoid loophole attacks and abuse; in terms of collection of model training data, we try to ensure unbiased data collection, and prevent the model from being abused by introducing systematic bias; we have also set up a monitoring model for the output results of the model, so as to provide real-time warnings for abnormal data. In terms of strict review, we comply with relevant national laws and regulations, such as the “Regulations on the Administration of Network Audio and Video Information Services”, the “Regulations on the Ecological Governance of Network Information Content”, and the “Regulations on the Administration of Algorithmic Recommendation of Internet Information Services”, etc. We strictly stipulate the usage, labeling, and scope of use of our AI technology applications, set up traceability technologies such as digital watermarks, and carry out stringent governance and supervision for high-risk scenarios. We also call for advocating industry self-discipline and autonomy in AI technology, and working together as an industrial community to prevent abuse, strictly prohibit misuse, and promote the sustainable and healthy development of the industry.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

Yeahka has continuously created value for merchants and consumers. We empower the construction of the industry ecosystem with our independent commercial digitalized ecosystem and leading payment technology platform, continue to empower our business with innovative technology, provide users with diversified products and excellent services, and help merchants and consumers operate and live better.



Key Points of the Chapter:

- Based on nearly 19,000 channel network agents in more than 300 cities nationwide, we cooperate with nearly 5,000 industry SaaS partners through standardized application programming interfaces (APIs)
- Cooperate with more than 150 commercial banks in providing local and foreign currency settlement services, and develop integrated solution for digital currency and people's settlement
- Develop more than 10 AI functions including AI content generation tools, AI cloud editing tools, AI short videos, digital human live streaming, etc
- Independently develop an automated App privacy and security detection platform to ensure user data security

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



CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

3.1 R&D OF INNOVATIVE PRODUCTS

As a leading payment-based technology platform, Yeahka is committed to building an independent and scalable commercial digitalized ecosystem based on user demand. We focus on digital payment and strive to achieve seamless, convenient and reliable payment transactions between merchants and consumers through payment services. We have embedded our merchant solutions into “Basic Payment”, “Payment Account + Services” and “Industrial Solutions” to enhance the level of digital services in the whole chain before, during and after the transaction, and to help merchants with digital operations. Meanwhile, we bring aggregated and great value local lifestyle experiences to consumers through our in-store e-commerce services, realizing two-way reach. In addition, we also emphasize the cultivation of R&D capabilities and product quality to maintain technological leadership and bring merchants and consumers more favorable, more convenient and better-quality products and services.

3.1.1 SMART PRODUCTS AND SERVICES

As driven by digital economy, we are committed to building an independent and scalable commercial digitalized ecosystem to achieve seamless, convenient and reliable payment transactions between merchants and consumers. Based on its payment business, Yeahka creates one-stop payment experience for users, and further extends to provide merchants and consumers with a rich and diverse product portfolio of smart operation, financial services, user outreach, etc. to enhance the digital marketing efficiency of merchants, optimize users’ experience in using the products, and create two-way value.

One-stop Payment Services

One-stop payment services are the basis for Yeahka to build a commercial digitalized ecosystem. We constantly track diversified and personalized consumption hotspots, and use payment as a gateway to integrate operations through customer solutions, local lifestyle, precision marketing and financial technology, thus further enhancing the level of digital services in the whole chain before, during, and after the transaction, strengthening the ability of digital marketing and operational empowerment, and creating seamless, convenient and reliable payment services.

In 2023, the Company continued to develop and expand its diversified and extensive business network and industry-specific payment solutions. Based on nearly 19,000 channel network agents in more than 300 cities nationwide, we cooperate with nearly 5,000 industry SaaS partners through standardized application programming interfaces (APIs), expand our industry coverage to various vertical fields such as catering, retail, wholesale, department stores, consulting, hotel and tourism, and deeply promote the continuous expansion of our business scale.

We also continued to tap new momentum of business growth. During the Reporting Period, we have cooperated with over 150 commercial banks in jointly providing local and foreign currency settlement services. The progress of our digital currency electronic payment (DC/EP) business has also entered a new milestone, as we have become one of the first institutions to connect to the One-Code-Multi-Pay System of the PBOC Digital Currency Institute. During the Reporting Period, we have opened 12,000 digital currency merchants and completed 39,000 orders.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

We have also made breakthroughs in the layout of our overseas payment business during the Year. We cooperated with famous global wallets in expanding our business, becoming one of the first partners for Mastercard's foreign currency settlement services. We have also obtained the Visa membership, and signed a letter of intent on global strategic cooperation with Alipay International. We have launched local and foreign currency settlement business in Hong Kong and Singapore, serving over 5,000 local merchants.

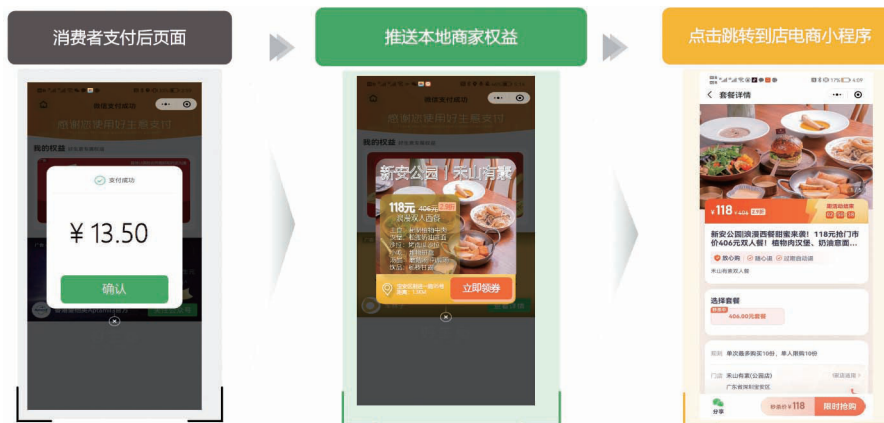
In 2023

- We expanded our channel network agents to nearly 19,000
- We partnered with nearly 5,000 cloud payment partners through application programming interface (API)
- We expanded our coverage to small, medium and large-sized merchants and vertical brand leaders in more than 300 cities nationwide

In-store E-commerce Services

We position ourselves as an aggregated platform for local lifestyle services. While gradually expanding our operational channels, we adhere to the core concept of being a digitalized commercial ecosystem, continue to develop diverse traffic partners, and stimulate consumer demand and potential.

On the merchant side, we continue to help merchants achieve efficient operations and deeply understand market trends and consumer behaviors. In 2023, we continued to develop the digital marketing capabilities of merchant solutions, improved our middle-office operation capabilities and deepened synergies with other businesses. As the online tendency of local lifestyle services gradually rises, we cooperate with tens of thousands of KOLs in creating high-quality live streaming and short video content, help merchants with one-stop digital operation of online traffic on platforms including Tiktok, Meituan, Kuaishou, Xiaohongshu, WeChat Channels, Amap, etc., and accurately reach their target consumer groups with standardized middle-office tools across the platforms in a variety of forms, such as live streaming and short video. Technologically, we have reduced content production costs by 90% and increased content production efficiency by 70% through the application of AIGC products such as content generation, cloud editing and interactive virtual streamers. On the consumer side, we launched a series of activities such as "Shekou Delicious Food Festival" via our self-operated APP Leshangquan, and provided high-quality and favorable local lifestyle solutions, thereby bringing a better life experience to consumers.



In-store E-commerce Services for Consumers

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

Case Shekou Delicious Food Festival

To stimulate cultural and tourism consumption and boost the economy of physical merchants, Yeahka assisted Shekou Street in organizing the "Shekou Delicious Food Festival", a food and culture event from June to August 2023, which provided consumers with discounted food packages and encouraged them to spend money in merchant stores. The event has attracted the participation of more than 50 local merchants. Yeahka has distributed consumption vouchers worth of approximately RMB 300,000 in the event, successfully reaching over 20,000 users and actively contributing to the building of a better community.



"Shekou Delicious Food Festival" Promotion Poster

Merchant Solutions

The Company provides merchant solutions to small and medium merchants, and actively helps merchants promote the digitization of their offline business operations. In 2023, we provided digital solutions tailored to the needs of different merchant stores. In addition to the traditional aggregated payment capabilities of "JUHUISAOSAO", we have increased the functions of customized voice broadcasting, merchant benefits distribution capability, intelligent marketing, real-time virtual wallets and fast cash withdrawal to effectively improve our operational efficiency. Meanwhile, we have launched the "Smart Store" product, which provides merchants with business report analysis available for their view at any time, and provides new and old customers with data analysis functions to assist merchants in smart operations.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT



“Smart Store” Assisting Merchants in Smart Operations

We have also actively explored the combination of a commercial digitalized ecosystem with AR and blockchain technologies to help merchants create interactive marketing space with consumers in the form of “game experience + brand equity + creative marketing”. In 2023, our groundbreaking meta-universe mini-game, Yverse, was launched to help merchants create a meta-universe space and carry out in-depth private domain marketing through the immersive meta-universe mini-game. During the launch period of the game, the weekly activity rate of the merchant’s private domain community has increased from 12% to 37%, while the user retention rate has increased from 30% to 70%.

3.1.2 TECHNOLOGY DEVELOPMENT

Technology R&D and Innovation

We always regard technology R&D and innovation as the source power of our business development, and constantly strengthen the investment in technology R&D and innovation and training of technical talents. We are committed to building a first-class technical team, exploring innovative technology to empower the existing commercial digitalized ecosystem, and combining cutting-edge digital technology with financial technology, thereby assisting customers in digital upgrading and transformation. By continuously optimizing technical structures such as transaction settlement, AI, large model, private cloud and IT management, Yeahka continues to promote the iteration and upgrading of products and technologies, provides all-round digital services by grasping the pain points of merchants and consumers in use of our products, and optimize the user experience, thereby effectively supporting the rapid iteration of our business.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

<p>Transaction settlement</p>	<ul style="list-style-type: none"> • Conduct automated construction testing to enhance the depth of automation coverage and guarantee the availability of core payment business; • Build a quality visualization dashboard to integrate core quality indicators via the large-screen panel; • Complete the automated construction of the Profit Sharing 2.0 system: Realize the full-chain automation of "model building - data preparation - profit sharing - automatic verification", covering more than 50 scenarios to greatly enhance the testing efficiency and ensure the safety of funds.
<p>AI</p>	<ul style="list-style-type: none"> • Based on the application of AI-Generated Content (AIGC) products, we have developed more than 10 AI functions, including AI content generation tools, AI cloud editing tools, AI short video generation, etc.
<p>Large Model</p>	<ul style="list-style-type: none"> • Our self-developed large models in vertical fields have opened up new business areas; • We have developed intelligent tools such as coding assistant and intelligent customer service system, which greatly enhance our work efficiency.
<p>Private Cloud</p>	<ul style="list-style-type: none"> • Establish the private cloud system, and promote the implementation of the "half cloud + half physical host" deployment mode; • The cloud database realized the separation of storage and computing, as well as equipment and resource pooling, further improving resource utilization.
<p>IT Management</p>	<ul style="list-style-type: none"> • Completed the relocation of business systems and digital warehouses from AliCloud to the Company's IDC server room to reduce server costs; • Established the automated operation system for SMS, pop-up windows, coupons, official accounts and other tools, which has greatly improved the operational efficiency; • Several redundant network lines were increased to improve the disaster recovery capability and network reliability of IDC network architecture.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

Case AIGC Product Applications

Smart Poster

Based on its own data and the resources of its Qianqianhui platform, Yeahka has explored and launched a set of proprietary AI generation tools specialized in product copywriting and promotion for merchants in the catering and entertainment industry. Based on a brief description of the products in the store, merchants can generate readable promotional copy with one click, which significantly reduces the copywriting difficulty for merchants to publicize their products, and improves the efficiency of product promotion and operation.

AI short video generation

In the short video field, Yeahka has developed an AI video cloud editing tool for merchants to help them create popular videos. This tool can automatically identify, extract key frames, edit and splice videos shot by merchants or influencers. It allows users to edit multiple videos with just one click on demand, and with its effect close to the level of manual editing, it can greatly reduce the difficulty of video production and promotion for merchants.

Digital hosts live streaming

We cooperate third-party partners to develop digital hosts for live streaming, so as to help merchants save costs for hiring streamers and gain access to public domain traffic on live streaming platforms.



AI short video generation



Digital hosts live streaming

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

Technology Exchange and Precipitation

Yeahka attaches great importance to the improvement of employees' professional abilities, and strives to assist employees in improving their technical skills. This Year, as guided by "Value Discovery and Value Creation", the Technology Center carried out the "Innovation and Entrepreneurship Boosting Growth Plan" talent training system for all members, which answers questions and solves problems for employees, strengthens their technical foundation, and stimulates the innovation capability of the Company, with the "Semi-annual Growth Project" as the thrust and the "Innovation and Entrepreneurship Evaluation" as the pulling force. The Company selected the "Monthly Star of Technology" to recognize the outstanding contributions of technical talents in various fields and encourage them to continue studying and achieving technical breakthroughs. In 2023, we organized and implemented nearly 20 company-level sharing training sessions including "Yeahka Lecture" and more than 150 department-level technical training sessions. The Yeahka technology account published more than 40 technical articles and approximately 400 technical documents on project cases, knowledge and skills, and R&D processes.

3.1.3 PRODUCT QUALITY ASSURANCE

Yeahka is committed to providing high-quality products and services and continuously optimizing product quality with strict standards to establish a delicacy quality management system. The Company has formulated standardized management processes for the stages of product design, development, quality control and release to improve the quality of product planning and provide merchants and consumers with superior product and service experiences. In 2023, we developed and revised the internal systems such as "Product Release Process Specification", "Product Price Management System" and "Delicacy R&D Quality Management System" to continuously strengthen the construction of our quality management system; and we introduced tools such as AI code detection, UI automated testing, and front-end and back-end grayscale scheme design in the control and optimization of development quality to assist R&D personnel in efficient development and design. At the same time, we carry out series of product tests, review the process in light of merchant needs, summarize the problems existing in the development process, and continuously improve product quality.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

Case Technical training for payment business segment

In order to improve the technical capability of employees, the payment business segment has organized bi-weekly training sessions, and invited outstanding employees or other departmental heads to receive training on product design, user experience, financial knowledge and other related contents, so as to enhance the mutual understanding among employees and the coherent understanding of our businesses. We also organize product design contests within the practical business growth camp of the Company, which increases the interaction among employees and the collaboration among colleagues by means of proposal, product scheme design and on-site response; through the mentorship and scheme demonstration, we continuously improve employees' cognition of new affairs and their practical ability to implement creative ideas.



Scene of Technical Training

3.1.4 INTELLECTUAL PROPERTY PROTECTION

As a company dedicated to technological innovation and business development, Yeahka attaches great importance to the protection of intellectual property rights. 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, and establishes a sound intellectual property protection mechanism and implementation strategy. Besides, we strengthen the publicity of intellectual property protection, constantly improve the intellectual property awareness of departmental personnel, and enhance the transformation efficiency of intellectual property rights by timely applying for the registration of departmental innovations, core technologies, high-quality products and other knowledge products and obtaining effective protection from domestic organizations. We vigorously encourage innovation, strengthen the cultivation of intellectual property talents, constantly improve the independent innovation mechanism, actively carry out independent innovation activities, and give full play to the positive role of professional talents in intellectual property strategy. In 2023, Yeahka was granted 48 software copyrights, 2 appearance patents, and 44 trademark registrations.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

3.2 PROVISION OF QUALITY SERVICES

Yeahka adheres to the customer-centered principle, continuously improves the customer service system, and enhances the customer service level. We are committed to providing excellent quality services, responding to the diversified needs of customers, and winning the trust and support of users to jointly achieve high-quality and sustainable development.

3.2.1 ENHANCING USER EXPERIENCE

We continue to optimize and improve our service procedures and standards, implement full-life cycle management of our products and services, and enhance customer satisfaction from multiple aspects such as demand collection, product design and customer feedback handling. Each business department takes the initiative to understand user demand through online questionnaires, offline surveys, etc., so as to provide a powerful support for product design and optimization. In 2023, the Company took measures such as online community exchanges, distribution of survey questionnaires, telephone interviews and offline in-store interviews to gain an in-depth understanding of the needs of merchants and agents, and to know about the merchants' use and suggestions on our products of "QR Code Restaurant" and "Palm Store". We also collected merchants' demands for other value-added services such as mini program stores, community marketing and aggregated delivery. A total of over 5,000 questionnaires were recovered, and a number of survey reports were formed. Finally, we optimized our operations according to the needs of our merchants, and launched the "Private Domain Mini Program" to improve our products and services. During this year, our customer satisfaction rate was 94.3%.



Offline Interview with Agents

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

In the process of product user experience, the design scheme is an important link that affects the user experience and brand perception. In order to improve the product user experience and design quality control, we set up a user survey team to explore the real needs of users through regular communication with users, questionnaire surveys, user group interviews, etc., to optimize the product experience and enhance the value and competitiveness of our product. Meanwhile, we strive to meet the needs of users for the overall product experience from the perspective of product functions, visual interface, experience optimization, etc.. During the Year, we upgraded the official website of Feiquan, optimized the user interaction page, and put the business philosophy of “focusing on customer satisfaction” into practice.



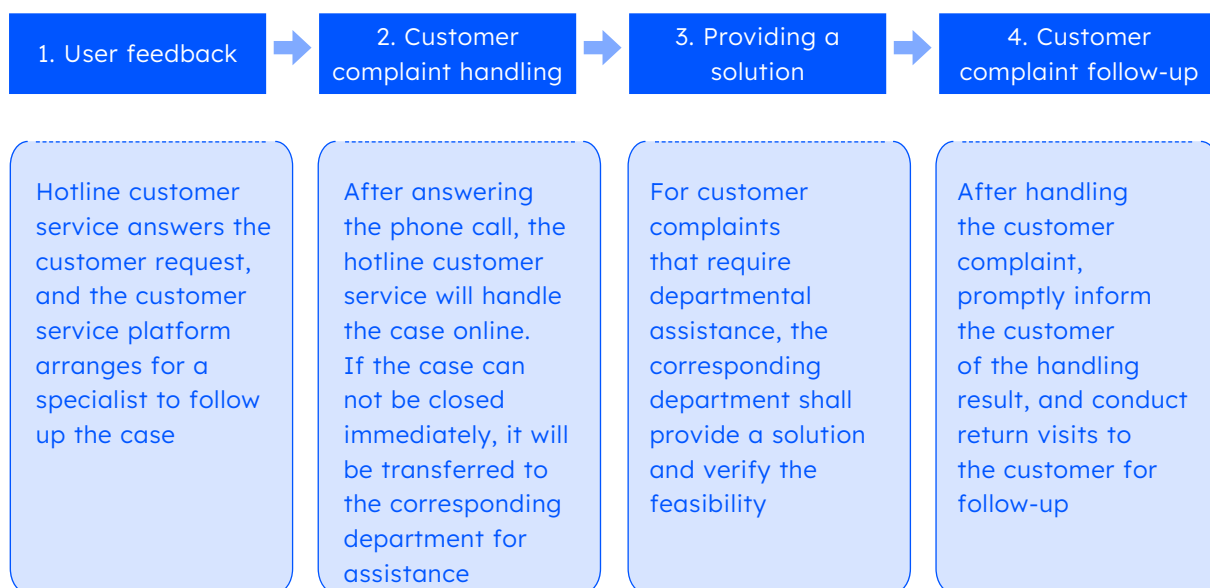
Upgrade of Feiquan Official Website

3.2.2 CUSTOMER SERVICE AND COMPLAINT HANDLING

Yeahka is committed to providing customers with better services and listening attentively to each customer’s suggestions and opinions. In 2023, we integrated customer service channels such as telephone, online and SMS into a unified customer service platform, and developed online AI services to enhance our service efficiency with standardized and process-oriented channel management. In 2023, we served nearly 780,000 person-times by telephone and over 1.2 million person-times online. In addition, we continued the product after-sales tracking service to know about the problems encountered by customers in their use of products, and provide one-on-one service guidance. We have completed a total of return visits of more than 30,000 customers.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

We take every customer’s inquiry and complaint seriously. We have formulated internal systems such as the “Customer Complaint Handling Process System” and “Customer Service Daily Work Regulations” to standardize our customer complaint handling process and respond to customer demand in a timely manner. The Company classifies customer complaints into four types, namely, general complaints, difficult complaints, major complaints and special complaints, and specifies the procedures and time frames for handling different types of complaints to efficiently solve the problems for customers. Yeahka has successfully obtained ISO 10002 customer complaint management system certification. In 2023, we improved the takeaway complaint portal of “Leshangquan”, increased manpower during peak consultation hours, and opened a special consultation line, allowing users to contact customer service for complaints through takeaway orders and solve problems quickly.



Customer Complaint Handling Process

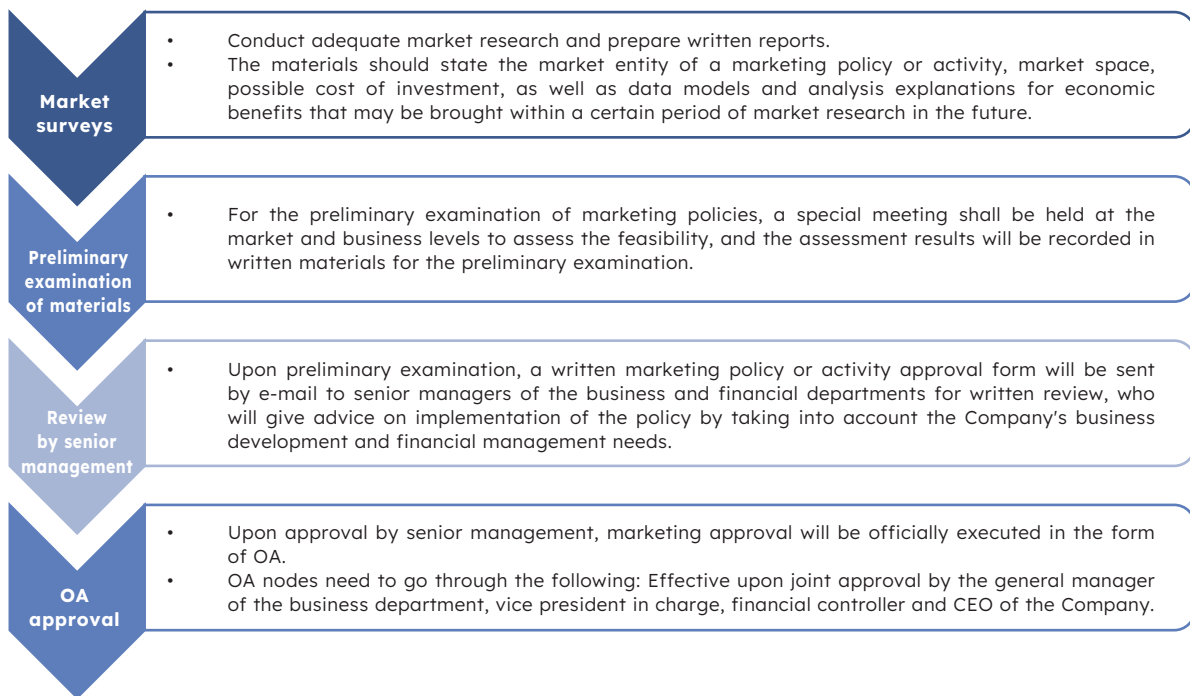
3.2.3 COMPLIANCE PROMOTION AND MARKETING TO PROTECT THE RIGHTS AND INTERESTS OF CUSTOMERS

Yeahka always adheres to lawful and compliant operations, and abides by relevant laws and regulations and industry rules. In the promotion and marketing activities, we strictly comply with 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 other relevant laws and regulations to ensure the authenticity, legality, and compliance of advertising content.

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

We have established a systematic marketing policy approval mechanism and built a policy verification platform, and also require our cooperating institutions, products, and related marketing to strictly comply with relevant regulations. In addition, for marketing strategies involved in the products or services 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 the existing and intended marketing strategies comply with regulatory requirements of the industry.

The Company has established a standardized marketing and mutual supervision mechanism among business development partners, and improved the whistle-blowing process to ensure that all marketing strategies comply with regulatory requirements and effectively protect the legitimate rights and interests of customers. In addition, we organize regular marketing training for marketing 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.



Marketing Policy Approval Process

CHAPTER III TECHNOLOGY EMPOWERMENT TO LEAD INNOVATION AND DEVELOPMENT

3.3 GUARANTEE DATA SECURITY

Yeahka attaches great importance to security protection of the information of itself and its customers. We strictly abide by the “Cybersecurity Law of the People’s Republic of China”, “Data Security Law of the People’s Republic of China”, “Personal Information Protection Law of the People’s Republic of China”, and other national laws and regulations, and have formulated a series of internal regulations and systems within the Company, such as the “Information Security Management Measures”, to support the protection of data security.

The Company has continuously improved the information security management technology and system. We have independently developed an automated App privacy and security detection platform and security protection plug-ins, which conducts mandatory privacy compliance testing before the release of an App and periodic testing after the release to improve our system security; and we have purchased data encryption and decryption equipment and systems to further protect our data security. We improve and rectify our system from several aspects of data collection, transmission, storage and use, regularly conduct scanning and security penetration tests on the system, and invite third-party testing organizations to conduct relevant tests and certifications on our system, so as to provide a stable and reliable transaction environment for merchants and consumers.

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. We implement the “minimum availability principle” for data collection, and avoid the collection of personal privacy information as much as possible while ensuring the safe operation of our business. If necessary, we collect information only with the customer’s signature and consent, and strictly protect the information from being transmitted, reused, or disclosed. In 2023, we made improvements to protection of personal privacy information for customer ends of all our business lines, prohibiting access to sensitive user information such as location positioning and fingerprint, and only collecting information necessary for our business operations.

Data Transmission and Storage

The Company constantly optimizes the data storage technology to ensure data security and reliability. Technically, we adopt encrypted transmission of collected data and change the transmission algorithm of sensitive data such as cell phone number and ID card stored in the database from international encryption algorithm to the sm4 algorithm issued by the State Cryptography Administration to ensure data security. In 2023, we passed the third-party certifications by China Financial Certification Authority (cfca), Beijing National Financial Technology Certification Center, the Bank Card Test Center, and the UnionPay Payment Data Security Standard (up-dss), which provide a solid protective barrier for customer information security and privacy.

Data Permission Management

The Company closely follows the requirements of new national personal privacy regulations, and implements precise and strict data authority management to ensure the confidentiality and integrity of data. We constantly improve the data access control mechanism, check the account permissions in each system on a weekly basis, strictly limit the access to IP addresses, and restrict the access to specific data to only those responsible for specific job positions, thus ensuring that the position matches the permissions. In the meantime, the Company focuses on strengthening the propaganda on the employees’ awareness of confidentiality, desensitizing the display of sensitive customer information, and strictly prohibiting research and development personnel from printing personal sensitive information in system server logs. Any abnormal decryption operation of customer information shall be reasonably explained and reported, and any violation shall be dealt with seriously. At present, all of our Apps and mini programs have been filed and registered with the Ministry of Industry and Information Technology on schedule. In 2023, 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.

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

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
- 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 BUILD DIVERSE TEAMS

4.1 GROWING TOGETHER WITH EMPLOYEES

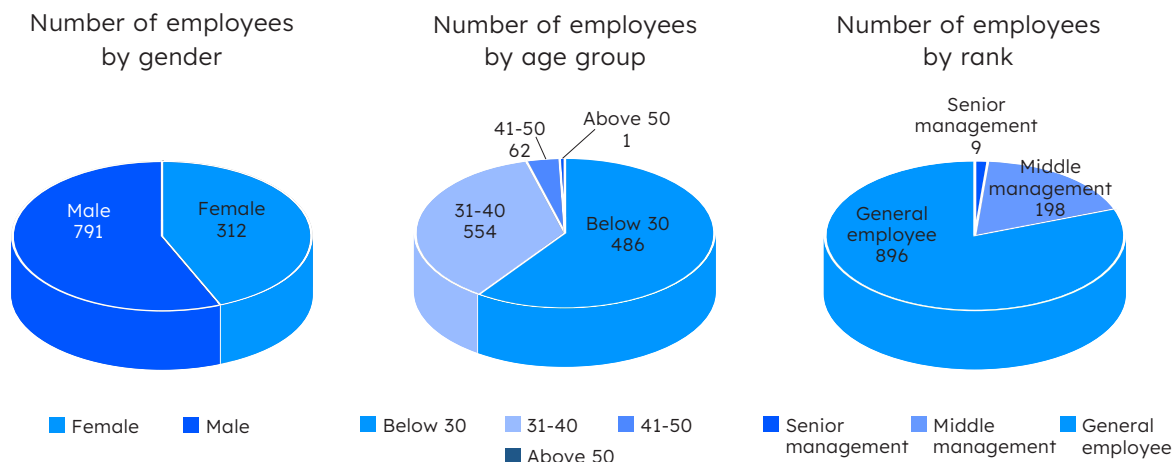
As a leading technology company, Yeahka always adheres to the people-oriented development concept, regarding human capital as the key to enhancing brand competitiveness and achieving sustainable development. We hold a zero-tolerance attitude towards any discriminatory behavior and are committed to building an equal and open workforce and creating a diverse and inclusive working environment. We also attach importance to the career development and physical and mental health of our employees. We have built a comprehensive training and incentive promotion mechanism in line with the development expectations of our employees, helping them tap their potential and realize their self-worth.

4.1.1 DIVERSITY AND EQUAL EMPLOYMENT

We strictly abide by the “Labor Law of the People’s Republic of China”, the “Social Insurance Law of the People’s Republic of China”, the “Provisions on the Special Protection of Juvenile Workers” and other relevant laws and regulations, and have formulated multiple management systems, 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

Yeahka strictly implements the employee recruitment plans through various channels, such as campus recruitment, internal referrals and online recruitment according to the requirements of the “Recruitment Management System of Yeahka Group”, and continues to explore talents with both moral and professional qualities according to the principles of fair competition, comprehensive evaluation and merit-based recruitment, thus accumulating talents for the Company’s development and growth. As of December 31, 2023, the Company had a total of 1,103 employees, categorized by gender, rank and age group as follows:



CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Yeahka strictly prohibits child or forced labor. We investigate the information and verify the identity of the candidate during the recruitment process. If the candidate 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.

Case Yeahka Multi-Channel Employee Recruitment Plan

In 2023, Yeahka utilized multiple methods such as campus presentations, online recruitment and internal referrals to release job vacancies to candidates, so as to recruit outstanding talents and coordinate the matching between talents and job positions. During the Year, the Company conducted 25 campus recruitment presentations in colleges and universities in 7 cities including Chengdu and Nanjing, recruiting a total of 103 employees.



Campus Recruitment Scene



Internal Referral Poster

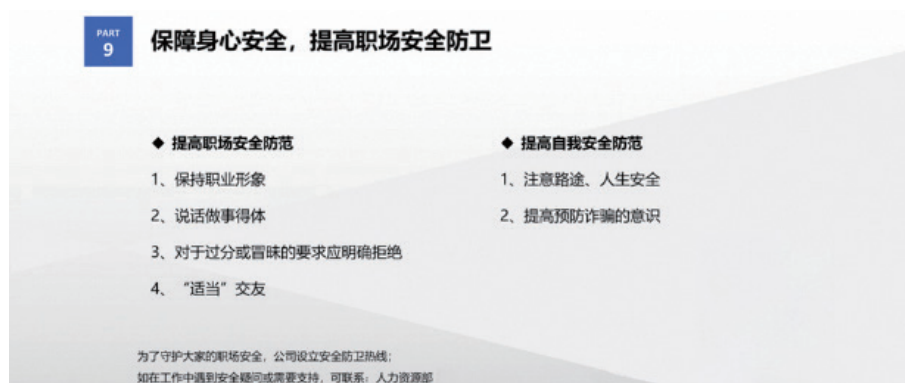
Equality and Diversity

Yeahka always adheres to the people-oriented management concept and cultivates an equal and inclusive diverse workforce. We respect the diversity of employees and eliminate any form of discrimination and prejudice arising from the difference in age, ethnicity, gender, territory, religious belief or family status. We are committed to creating an friendly, inclusive and fair working environment. We also attach great importance to the protection of rights and interests of all employees, establish an independent labor union 100% composed of employees, improve the reporting channel and punishment mechanism, and hold a zero tolerance attitude towards workplace discrimination and harassment. We understand, appreciate and encourage diversified development to ensure that all employees have equal opportunities for development. In 2023, the Company did not experience any violations or cases related to discrimination or harassment.

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Case Anti-workplace discrimination and harassment

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



Training content on anti-workplace discrimination and harassment

Meanwhile, Yeahka adheres to the principle of gender equality, and strives to maintain and safeguard the rights and interests of female employees. We are committed to eliminating gender disparities and maintaining fairness and equity in the process of recruitment, evaluation and promotion. In addition, we continue to optimize the treatment of female employees, offer female care supplies in the office, actively carry out warm-hearted activities to care for women’s rights and interests, and provide relevant benefits for female employees during holidays, such as holding female care and encouragement activities on International Women’s Day, distributing gifts to female employees, and arranging half-day vacations, etc., so as to convey love and warmth to female employees.

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Case Anti-workplace discrimination and harassment

On March 8, 2023, Yeahka held the "Travelling with You, Cheering for You" Women's Day celebration event, posting a message board called "Speaking to Her" to encourage and care for female employees.



Women's Day Promotion Poster



"Speaking to Her" message board

4.1.2 EMPLOYEE GROWTH

Talented individuals are the driving force for the sustainable development of the Company. Yeahka pays full attention to the development possibilities of each and every Yeahka employee, and through innovative and timely incentives and promotion mechanisms, we help our employees plan the most appropriate career development paths, and encourage them to maintain their self-driven power and continuous growth. In the meantime, we have designed a complete training system and comprehensive courses suitable for the development stage and type of position for our employees, helping them to explore new possibilities for growth and injecting fresh blood to the realization of their ideals.

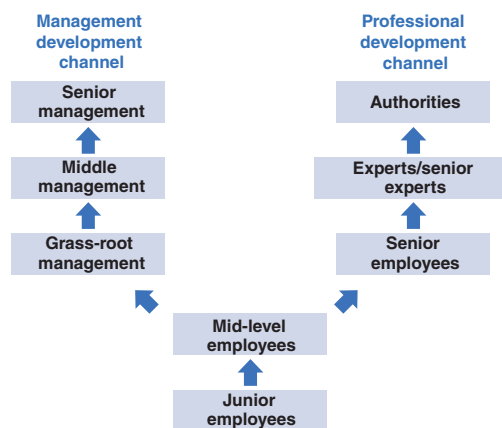
CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Performance and Promotion

Yeahka cares about employee growth, and considers the career development path of each employee in conjunction with their personal intention. We launch and continuously improve the “management” and “professional” dual-channel career development system, assisting each employee in identifying their career channels suitable for their own development, maximizing their individual strengths and giving full play to their abilities.

To ensure the equality and scientificity of talent promotion, we implement various forms of performance evaluation measures. We set up overall strategic OKRs and KPI indicators at the company level, conduct multi-dimensional reviews at the departmental level on a monthly and yearly basis, integrate departmental assessment and employee evaluation feedback at the managerial level, and implement performance evaluations and counseling at the employee level. Meanwhile, by operating the EHR online personnel system, Yeahka conducts performance appraisal and evaluation for employees and completes the entire online evaluation process, which effectively strengthens performance communication, maintains the openness and transparency of performance management work, allowing employees to learn more conveniently and in details about the management’s suggestions for personal growth and career guidance, and achieving better development.

Dual-channel career development system



In 2023, Yeahka’s internal awards are as follows;



126 employees were awarded “monthly stars”, “value guardian stars”, “improvement and innovation stars”, etc.



4 teams were honored as “OKR star teams”

For outstanding employees, Yeahka continues to implement a diverse incentive mechanism that combines annual and quarterly salary adjustments to reasonably motivate employee progress and development. Meanwhile, we set internal awards, such as “monthly stars”, “value guardian stars”, “improvement and innovation stars” and “OKR star teams”, to recognize and reward employees and project teams with outstanding performance.

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Training and Growth

In 2023, Yeahka focused on “employee growth” and comprehensively optimized the employee training mechanism by combining multiple training forms online and offline. By optimizing the “Yeahka Y Academy” online training platform and conducting regular training programs such as “New Talent Training Camp”, “Playing with Yeahka” and “Yeahka Lecture”, we are committed to enhancing the comprehensive knowledge and understanding of new employees, managers and technical personnel in terms of professional quality, corporate culture, product business and professional skills, thereby effectively helping employees make constant progress in their career development path. Our training during the Year is as follows:

Average training hours completed per employee by gender

Average training hours completed per male employee

57.32

Average training hours completed per female employee

53.84

Average training hours completed per employee by rank

Average training hours completed per senior management

56.00

Average training hours completed per middle management

60.95

Average training hours completed per general employee

55.32

Online training platform

Yeahka Y Academy

In order to comprehensively improve the training path and build a more complete talent cultivation platform, Yeahka has put into use the “Yeahka Y Academy” online training system since 2022. In 2023, “Yeahka Y Academy” launched new functions such as “course live streaming”, “integrated learning projects” and “lecturer system”, aiming to effectively improve the teaching conversion efficiency and optimizing the talent cultivation system.

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Fresh graduate training



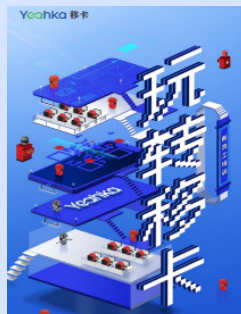
Training camp for new employees

Every fresh graduate who joins Yeahka is an indispensable new force for Yeahka. In 2023, Yeahka conducted two 12-day induction training camps for 22 campus recruits to help them better understand the Company's business, integrate into the team and adapt to workplace life through a series of training and team building activities. After the training camp, Yeahka arranges dedicated mentors to guide them in their daily work and the development of their growth plans. The Human Resources Department tracks their growth and development for one year, during which regular communication will be conducted to offer support.

Social recruits training

Playing with Yeahka

By introducing the Company's products business, corporate culture, institutional system and other basic information to new social recruits, we aim to help employees quickly adapt to the working environment and their job positions. In 2023, Yeahka carried out a total of 8 social recruit induction training sessions.



Managers training

To further improve the overall efficiency of middle management cadres, Yeahka regularly hires external consultants to provide middle managers with professional training on management thinking and other aspects, helping improve their innovative thinking abilities.



CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

On-the-job promotion



Yeahka Lecture

Yeahka continues to provide professional training courses related to technology and product operations for all employees, expecting to improve their professional abilities through regular communicating and learning and assisting the Company in achieving sustainable development. In 2023, Yeahka conducted a total of 21 thematic sharing courses, with the participation of 945 employees. Technical experts shared their in-depth views on business cases and professional skills to continuously broaden new business ideas.

Training of AI tools and large model

In order to help our employees quickly learn to focus on the new technologies, Yeahka organized several trainings in relation to AI tools and large model this year. We launched coding assistant related training for 263 employees in the technical department, mainly including the use of coding tools under vscode and IDEA. At present, the adoption rate of coding assistant's codes has reached 10%, helping to steadily improve technical work efficiency. In addition, we used online live streaming to explain the self-developed applet "Spoken English Assistant" and its technical structure, and introduced the application of large model technology and intelligent voice technology. The training covered all employees and promoted the promotion and use of the "Spoken English Assistant" within the Company.

4.1.3 EMPLOYEE CARE AND CORPORATE CULTURE

Taking care of our employees, strengthening our corporate culture and maintaining good communication channels are important ways for us to continuously promote the common development of the Company and employees. Yeahka adheres to the people-oriented principle and joins hands with employees to create an open, harmonious and inclusive working environment. We have refined our "Employee Handbook" and are committed to protecting our employees' rights

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

to freedom of association and encouraging them to form or join associations freely, 100% of the Company's employees are covered by this policy. In 2023, Yeahka actively organized diverse employee activities and distributed all kinds of employee benefits to encourage employees to harmonize their work and rest and to balance their work and life. We pay attention to the health and safety of our employees and safeguard their health through various channels; meanwhile, we actively promote our corporate culture, hold colorful cultural festivals, and strengthen the construction of our corporate culture through various channels; we also continue to optimize our communication system, conduct employee satisfaction surveys on a regular basis, and continue to care about the feelings of our employees and make corresponding improvements based on the survey results, so as to enhance their sense of belonging through practical actions. During the Year, we conducted satisfaction surveys on all employees in terms of welfare activities and happiness, safety management and office stress, office environment and job satisfaction, administrative services and job targets. According to the survey results, 93.12% of employees were satisfied with our work.

Comprehensive Benefits and Welfare

Yeahka insists on providing comprehensive benefits for its employees. In strict compliance with relevant laws and regulations, we pay the five insurances and one fund for employees, arrange statutory holidays, and provide additional commercial insurance as a supplement to personal insurance. In order to create a more harmonious and friendly working environment, we provide paid parental leave and overtime allowance for our employees, and adopt flexible working system to help our employees coordinate their working arrangement flexibly. We provide employees with diversified benefits such as birthday gifts, holiday gifts, red packets for commencement of work, activities and afternoon tea on holidays, showing our full care for employees. To help employees achieve physical and mental development and relieve their work pressure, Yeahka has actively operated various interest clubs for many years, including badminton, swimming, basketball and soccer, encouraging employees to cultivate hobbies and exercise more in their spare time to enhance their happiness from multiple aspects.



Yeahka provides employees with benefits such as shared umbrellas, humanitarian medical kits, heartwarming tea bags, etc.

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

In 2023, Yeahka took the following actions to better safeguard employee benefits:



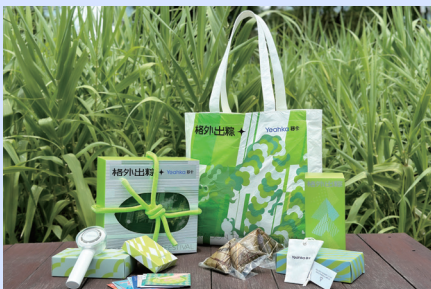
Arrange flexible working hours for technical staff to help them better balance their work and life, and combine with leisure



We provide parental leave for new employees. All Yeahka employees are entitled to 10 days of parental leave per natural year when their children are under the age of three, to effectively care for the rights and well-being of employees

Yeahka Festival Gift Boxes

“Excellence” Dragon Boat Festival Gift Box



“Perfect Happiness” Mid-Autumn Festival Gift Box



CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Yeahka Festival Activities

Qixi Festival Activity



On the Qixi Festival in 2023, Yeahka organized a celebration activity which combined traditional festival rituals with new interactive games. About 300 employees participated in the activity, making wishes to the lanterns, or moving their bodies and trying to throw out the rings to catch the prizes, and enjoying the pleasant festival together with laughter.

Thanksgiving Day Activity



In order to convey our gratitude to our employees, users and the society, we organized a celebration activity combining charity, corporate culture building and recreation on the Thanksgiving Day in 2023. The activity allowed employees to relax and enjoy the afternoon tea and also provided an opportunity for them to pass on the letters of thanks and express their gratitude to each other. We also auctioned off cultural peripheral products of the Company to make some contributions to the public welfare in a fun way.

Programmers Culture Festival

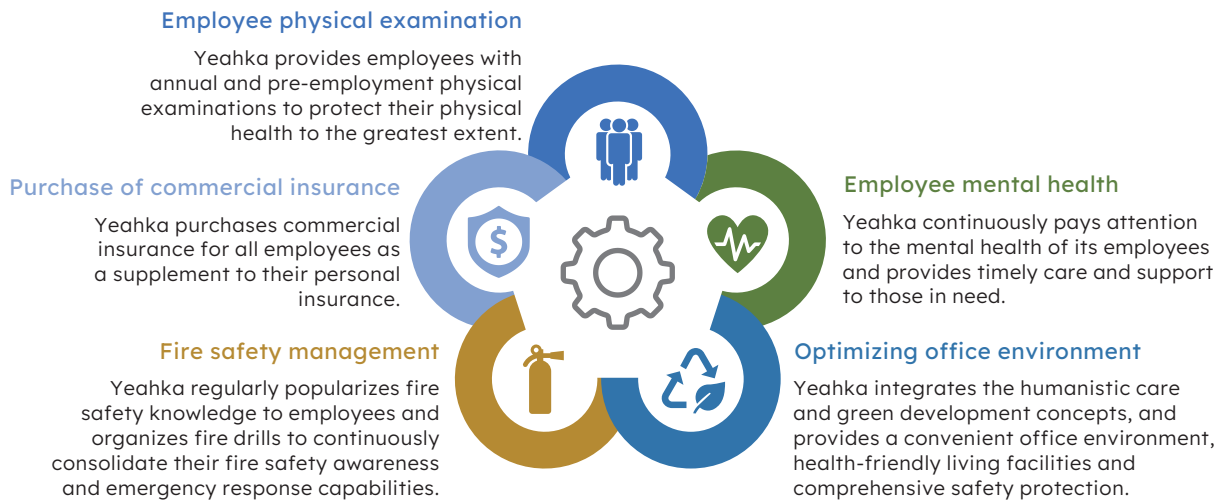


In order to strengthen employees' sense of belonging and team cohesion, on October 24, 2023, Yeahka held a programmer's day celebration activity for the company's technical staff. Through fun and interesting interactive games and competitions, Yeahka was able to fully enliven the workplace atmosphere and relieve employees' work pressure.

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Employee Health and Safety

Yeahka is committed to creating a safe and healthy working environment. By optimizing the office environment, conducting employee health checks and management, and carrying out fire safety drills, we provide employees with a healthy and safe workplace, take care of their physical and mental health, and strive to improve our ability to respond to emergencies, effectively safeguarding the safety of our employees and the operations of the Company.



In 2023, we built a multi-functional hall in the office area for large-scale training classes, offline lectures, internal staff activities, open exchange of corporate culture and other activities, which greatly enhanced the richness and diversity of the Company’s internal office space, and was widely acclaimed by employees. In addition, we have also upgraded and renovated the Company’s showroom by installing new electronic touch screens for displaying relevant business products, corporate culture activities, corporate newsletters, and by adding relevant display facilities, which have, to a certain extent, greatly enhanced the employees’ sense of belonging and sense of experience.



Construction of multi-functional hall and upgrading of showroom

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Corporate Culture Development

Yeahka upholds the corporate values of “Innovation, Integrity, Proactivity and Responsibility” and attaches great importance to corporate culture development. We value the foundation, development and inheritance of our corporate culture, and we cherish every employee who is involved, practicing and witnessing the development of our corporate culture.

Through employee care and publicity activities, we continuously promote the construction and dissemination of corporate culture, and help employees clarify the close relationship between the Company’s development and corporate culture. At Yeahka, we advocate a relaxed attitude towards life, encourage all employees to build a framework for understanding the world and themselves, and to accept themselves with confidence while improving their professional abilities.

Case Yeahka · Clubs

In July and September 2023, Yeahka filmed and recorded the daily exercise videos of the Company’s internal Frisbee Association and Basketball Association, which were published in our internal publication “Link Time” to keep the moments of our employees’ beautiful life, showcasing the different styles of Yeahka’s various interest associations, and advocating the concept of “Healthy Life, Happy Work”.



Yeahka Frisbee Association



Yeahka Basketball Association

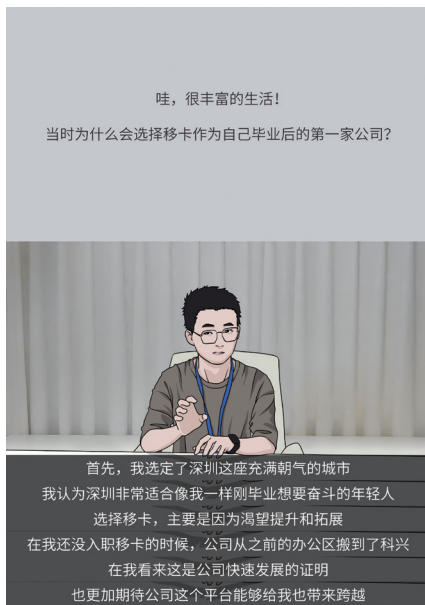
Meanwhile, through publishing the “Link Time” series of internal publications and the “Yeahka · People” series of long comics, we publicize the corporate culture and allow every Yeahka person to talk about their personal feelings, growth and work experience, thus helping them feel supported, valued and endlessly driven while accomplishing their work well, continuously improving employees’ sense of identification and mission towards the corporate culture.

CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

Case

Yeahka · People

Yeahka constantly explores innovative ways to convey the Company's corporate culture and the voices of employees. In July and November 2023, we interviewed senior employees about their work experiences, development and growth, and attempted to demonstrate and promote the positive spirit of Yeahka employees in the form of animated cartoons and from the first-person perspectives of employees, thereby focusing on the employee growth and creating a favorable atmosphere in the workplace.



CHAPTER IV TECHNOLOGY SHARING TO BUILD DIVERSE TEAMS

4.2 WORKING WITH COMMERCIAL PARTNERS FOR A BETTER FUTURE

Yeahka strives for efficient, agile and sustainable collaboration, and is committed to working with its partners for a better future. We continuously pay attention to the performance of suppliers in terms of social responsibility and environment, and strictly control the safety and quality of the supply chain and eliminate potential risks through a comprehensive and standardized procurement and 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 responsible and sustainable supply chain, create and maintain a transparent, clean, honest and sustainable business environment.

4.2.1 SUPPLIER MANAGEMENT

We strictly comply with laws and regulations, and conduct supply chain management based on the principles of fairness and transparency. We have issued and implemented the “Procurement Management System of Yeahka Technology Limited” and the “Supplier Performance Management System” to guide our supplier management work. We have always adhered to the principle of “zero tolerance” for integrity violations and have established a set of mature management system and model.

We eliminate any form of fraud, bribery or corruption in the supply chain. To realize standardized management of the procurement transaction procedures, we conduct supplier sourcing openly in the market and carry out standardized verification on suppliers’ background and basic information. We standardize the supplier access evaluation process, and besides considering factors such as supply quality, product cost and business ethics, we incorporate supplier environmental and social responsibility indicators into our supplier access assessment and performance evaluation, so as to strictly control the supplier qualification, ensure procurement quality, and improve delivery efficiency. Before formally hiring a supplier, we will conduct detailed background checks, including qualification checks, onsite inspections, etc. on the supplier to fully understand its qualifications and service capabilities, reduce potential risks in the supply chain, and ensure the delivery sustainability.

4.2.2 RESPONSIBLE SUPPLY CHAIN

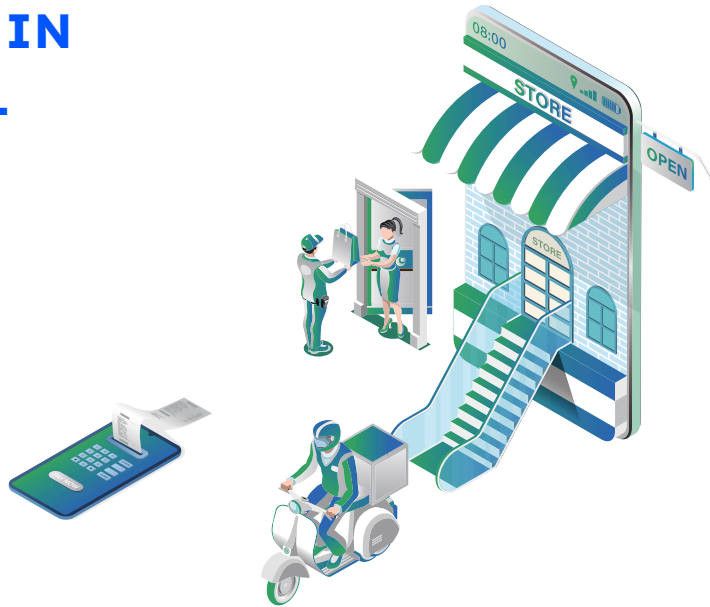
We strictly follow the bidding process in evaluating and selecting suppliers, and disclose the bidding results in accordance with the regulations to ensure that the bidding process is open, transparent and fair. We require our suppliers to strictly comply with the “Criminal Law of the People’s Republic 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, we require signing an “Anti-Commercial Bribery Confirmation Letter” with suppliers to eliminate any form of fraud, bribery or corruption and ensure compliance of cooperation. In 2023, the suppliers we cooperate with are primarily data and professional services suppliers, all of which are located in China.

We strictly control the social responsibility and environmental risks of suppliers, and integrate the concept of sustainable development into the entire supply chain management process. We actively practice green and low-carbon philosophy during the procurement process by prioritizing office supplies with higher environmental protection standards, purchasing low-energy consumption office appliances and promoting localized procurement to ensure that the procurement process and the procured products meet the green and environmental protection requirements. We also continue to publicize environmental protection concepts to our suppliers and help them enhance the awareness of environmental protection. In the process of cooperation, we maintain effective communication and exchange with our suppliers through regular online and offline meetings, and provide them with environmental protection and integrity training and technology sharing, so as to contribute to the sustainable development of both parties.

CHAPTER V TECHNOLOGY AID IN BOOSTING SOCIAL DEVELOPMENT

TECHNOLOGY AID IN BOOSTING SOCIAL DEVELOPMENT

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:

- Driving public welfare innovation with product innovation, and helping micro, small and medium-sized merchants with digital operations
- Collaborating with SF Intra-City to send warmth to small shop owners
- Focusing on children's growth and working together to build a hopeful future

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



CHAPTER V TECHNOLOGY AID IN BOOSTING SOCIAL DEVELOPMENT

5.1 PUBLIC WELFARE IN ACTION

Yeahka transmits warmth with technology and takes action for good. With the rapid development of digitalization, we use technology to empower public welfare and fully leverage our product advantages to facilitate the digital operations of small and medium-sized merchants. In addition, we continue to improve the “Internet + Public Welfare” service model, work together with internal and external stakeholders to contribute to the social welfare cause, physically safeguard children’s growth, promote community building, and perform our social responsibility.

5.1.1 ASSISTING SMALL AND MICRO MERCHANTS

Yeahka utilizes the power of digital technology to serve society and give back to users, committed to creating more possibilities for public welfare. We actively respond to the development trend of digital economy, and have created a public welfare model with Yeahka’s business characteristics while actively developing convenient products and facilitating digital consumption, so as to promote the high-quality development of micro, small and medium-sized merchants.

We have formulated the “Small and Micro Merchants Support Policy” to continuously support small and micro merchants by providing value-added financial services in a prudent manner, helping qualified merchants to obtain cash resources for purchasing inventories, investing in customer acquisition, operational management, etc., and providing assistance to the development of the real economy. In 2023, the number of our new registered users reached 1.32 million, the lending scale of small and micro merchants in December increased by 330% on a month-on-month basis, and the lending ratio of small and micro merchants reached 95%. At the same time, we continue to strengthen our technical capabilities and reconstruct the fraud risk management system of small and micro merchants based on the industry characteristics, including the new application of data and information mining, the application of approval risk alerts, etc., to identify the authenticity of business operation and reduce the risk of fraud.

In addition, we provide small and micro merchants with non-financial support such as open class training and technical support, and use media channels to help small and micro merchants promote their brands. In 2023, we provided face-to-face training on the use of receipt printers for new merchants, and offered training on the use of the merchant-side App for takeaway orders, billing reconciliation and merchandise entries, covering more than 120 merchants. Meanwhile, we utilize media channels to facilitate marketing, fully integrating cross-marketing, automated SMS, telemarketing, private domain operations and other effective methods. Our monthly new credit granted to merchants broke through 25,000, helping small and micro merchants to achieve more efficient operations at lower costs.

CHAPTER V TECHNOLOGY AID IN BOOSTING SOCIAL DEVELOPMENT

Case

“KaKa eating along the streets”— Supporting the promotion of small and micro merchants

In order to increase the sales of small and micro merchants and drive the public to deeply understand their business stories, Yeahka has persistently operated the short video account - “KaKa eating along the streets” across the network of self-media platforms. The goal was to use real-life footage to record the hustle and bustle of urban life and use the power of self-media to help the public hear the inner voices of small and micro merchants. So far, “KaKa eating along the streets” has attracted more than 300,000 followers across the network. We will continue to promote the brands of small and micro merchants, and draw more people’s attention to the most simple commercial ecosystem in the urban streets.



Homepage of “KaKa eating along the streets” Kuaishou Account

Case

Eco-friendly Takeaway Bags Public Welfare Program - Call for Environmental Protection

Yeahka noticed that small and micro merchants of street food use a lot of disposable plastic bags to package their food in their daily operations, causing an environmental burden. In order to call on more merchants and consumers to focus on environmental protection and reduce waste, we launched the “Eco-friendly Takeaway Bags” public welfare program in September 2023. Together with the short video IP - “KaKa eating along the streets”, we sent customized takeaway bags with tips to street food stalls and shops, aiming to call on the public to care about environmental protection with actions, by printing the concept of recycling and environmental protection closer to our lifestyle, and advocating sustainable operations. The program was publicized on the official accounts of “KaKa eating along the streets” and “JUHUISAOSAO”, attracting 330,000 views and widespread attention from local people.



Design & Production of Eco-friendly Takeaway Bags

CHAPTER V TECHNOLOGY AID IN BOOSTING SOCIAL DEVELOPMENT

Case

"Thank you! Boss!" Public Welfare Program - Promoting Digital Payments

Yeahka aims to build an independent and scalable commercial digitalized ecosystem, continues to optimize its digital payment methods, and assists small and micro merchants in achieving transformation and upgrading. In order to further promote the green and low-carbon concept and improve the service quality of small and micro merchants, we launched the "Thank you! Boss!" Public Welfare Program in August 2023, promoting sustainable transaction scenario services through video promotion, and contributing to environmental protection. As of now, the "Thank you! Boss!" Public Welfare Program has been exposed for about 2.66 million times. In the process of serving micro, small and medium-sized merchants in their digital upgrading, we have provided free digital training for micro, small and medium-sized merchants, covering more than 120 merchants.



Visual Cover of the "Thank you! Boss!" Public Welfare Program

Case

Sending warmth on Winter Solstice — Warm greetings to small and micro merchants

In December 2023, as the Winter Solstice Festival approached at the end of the year, Yeahka cooperated with SF Intra-City and the Internet celebrity rider Xiao Cai in sending warm Winter Solstice gifts and holiday greetings to small and micro merchants from all over the country, appreciating their dedication and hard work in the cold winter.



Small and micro merchants receiving warm greetings on Winter Solstice

CHAPTER V TECHNOLOGY AID IN BOOSTING SOCIAL DEVELOPMENT

5.1.2 BUILDING A WARM FUTURE TOGETHER

Yeahka believes that public welfare is a relay of positive energy, which requires us to actively utilize our corporate power to promote the common development of society. Therefore, we take practical actions to practice public welfare, drive more people to do good deeds in the society, so that positive energy can be transmitted and expanded.

Case

“Philanthropy Action in the Blossoming Spring” Theme Charity Activity- Caring for Autistic Children

Since 2017, Yeahka has been persistently carrying out the “Philanthropy Action” public welfare and charity activities; since April 2021, with the “World Autism Awareness Day” as an opportunity, Yeahka has started to pay continuous attention to and regularly visit children with special needs, sending love and warmth to special groups through small actions, and helping them to grow up healthily. In April 2023, Yeahka went to Xinxingyuan Training Center in Bao’an District, Shenzhen to interact with autistic children, assisting them in making love cakes, accompanying them to master a skill step by step, and passing on warmth.



Yeahka volunteers making love cakes with autistic children

CHAPTER V TECHNOLOGY AID IN BOOSTING SOCIAL DEVELOPMENT

Case

"Moving Together with Grateful Hearts" Love Donation Program - Facilitating Education for Underprivileged Children

In April 2023, as an invited representative of Shenzhen Nanshan District Federation of Industry and Commerce, Yeahka visited the Red Army Primary School in Zhongfeng Town, Ziyuan County, Guilin City, Guangxi Province, and carried out the "Moving Together with Grateful Hearts" Love Donation Program. We donated a batch of schoolbags and stationeries to the Red Army Primary School to assist the development of children's education in impoverished areas.



"Moving Together with Grateful Hearts" Love Donation Program

CHAPTER V TECHNOLOGY AID IN BOOSTING SOCIAL DEVELOPMENT

Case Yeahka Thanksgiving Day Event — Charity auction

At Yeahka, employees are also key players in the charity programs. During the Thanksgiving Day in 2023, we launched a charity donation event within the Company for disadvantaged groups such as a lonely elderly, children with special needs, and poor students. Employees who participated in the event played their respective roles, and they could raise money through the charity auction or scanning code for donations, with a letter of thanks being awarded accordingly. More than 200 employees have participated in the charity auction, which successfully auctioned off 80 cultural products, and sent out more than 180 letters of thanks. While practicing charity programs, we have passed on the warmth of public welfare in the hearts of Yeahka staff.



Yeahka employees actively participating in Thanksgiving Day Charity Auction Event

CHAPTER VI TECHNOLOGY FOR EMISSION REDUCTION TO EMBRACE A GREEN FUTURE

TECHNOLOGY FOR EMISSION REDUCTION TO EMBRACE A GREEN FUTURE

By adhering to the concept of green development and complying with the Environmental Protection Law of the People's Republic of China, the Company continues to improve all aspects of its green operations, empowers energy conservation and emission reduction with technology, utilizes cutting-edge office models and scientific operational thinking to reduce the environmental impact of its daily operations, and promotes green development.



Key Points of the Chapter:

- Through centralized management and allocation of resources by the Yeahka private clouds, we improved the effective utilization rate of gross computing resources by over 8%
- Increasing the proportion of clean energy in the data operation center, building a green data center, making full use of natural cold sources for cooling to enhance the energy-saving effect of the cold source system, and reducing greenhouse gas emissions

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



CHAPTER VI TECHNOLOGY FOR EMISSION REDUCTION TO EMBRACE A GREEN FUTURE

6.1 RESPONSE TO CLIMATE CHANGE

With the increasing severity of issues such as rising sea levels and frequent extreme weather, it has become a global trend to actively address climate change. Yeahka takes the issue of climate change seriously and has integrated it into the Company's sustainability strategy. We continue to focus on the latest trends in climate change, identify climate risks and opportunities related to our own operations according to the framework recommended by the Task Force on Climate related Financial Disclosures (TCFD), and formulate response strategies accordingly to enhance the resilience of our business to climate change.

6.1.1 GOVERNANCE

The Company continues to improve its ESG governance system and has established an ESG governance structure with clear division of labor, clear responsibilities and sound operation. The Board of the Company is responsible for formulating sustainable development strategies and goals, incorporating climate change risks into strategic considerations, and continuously supervising climate change risk management to ensure the effectiveness of the Company's climate change risk management. As authorized by the Board, the ESG Committee is responsible for analyzing the sustainable development trend of the industry, helping the Company to identify climate change risks and opportunities, and reporting to the Board on climate change related matters on a regular basis every year. Meanwhile, the senior management of the Company formulates corresponding work plans and implementation programs, and the ESG Working Group is responsible for assisting in the implementation and realization thereof to ensure their effective implementation, thus strengthening the Company's climate change control capability.

6.1.2 CLIMATE CHANGE RISK AND RESPONSE

We carry out climate risk management mainly by referring to the TCFD framework. By taking into account the characteristics of Yeahka's own business and development strategy, we continue to pay attention to climate change related policy and industry trends, identify climate change risks and opportunities related to our own operations, and actively consider and implement countermeasures. We also regularly review and evaluate the key points for improvement in our climate risk management work by combining the Company's actual operating environment performance, such as carbon emission data, thereby continually strengthening the Company's ability to cope with climate change risks.

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 FOR EMISSION REDUCTION TO EMBRACE A GREEN FUTURE

Type of risks	Characteristics of risks	Specific risks	Description of risks	Impact time frame
Physical risks	Acute	Extreme precipitation	With the increased severity of extreme weather events such as typhoons and floods within a short period of time, extreme precipitation leads to a sharp rise in air humidity and even a rapid rise in water bodies, posing a flooding risk that could result in depreciation of fixed assets, loss of labor, or disruption of the supply chain	Short - Medium
		Flood	Strong rainfall, iceberg melting, storm tide, etc., will lead to floods. Sudden floods may flood and affect the normal operation of server rooms, resulting in damage to data center equipment and loss of data	Short - Medium
		Typhoon	The frequent occurrence of high-intensity typhoons, such as continuous strong wind and heavy rain, may damage or destroy the Company's facilities and buildings, and reduce the stability of the buildings where our server rooms are located	Short - Medium
	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	Medium - Long
Transition risks	Policies and compliance	"Dual carbon" goal requirements	Under the policy background of China's "carbon peak" and "carbon neutral" goals, it has gradually become a compliance trend for enterprises to change their business models and realize low-carbon transformation. If they cannot achieve a low-carbon transition as soon as possible, they may face the risk of operational violations in the future	Medium - Long
	Corporate reputation	Stakeholders' concern	The "dual carbon" goal has attracted extensive social attention. Stakeholders are paying increasing attention to environmental performance of the Company. Failure to meet the expectations of stakeholders may damage the Company's reputation and lead to loss of customers	Short - Medium

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Taking into account the assessment results of climate-related risks and opportunities, the Company has actively formulated a series of measures to cope with and mitigate the identified climate change risks. To cope with acute physical risks, we have taken “one main line, two auxiliary facilities and three centers” as the direction of construction, and continued to strengthen the disaster tolerance capacity of data centers, and enhanced the support capacity to cope with extreme weather conditions, so as to ensure the continuity of the Company’s business operations. Meanwhile, 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 80 drills for regular module failures. In response to chronic risks, including continuous heat waves, we will gradually replace energy-intensive modem rooms, prioritize the use of energy-saving and environmentally friendly devices, promote the use of clean energy and build low energy-consuming green server rooms.

Case Green data center

In order to create a more energy-efficient green data center, we make full use of the natural cold source for cooling, and use frequency-controlled chilled water pumps, cooling towers and other equipment to improve the energy-saving effect of the cold source system. In addition, the server rooms adopt the “Smart Cooling” equipment that dynamically adjusts the water temperature value of the chilling station to optimize the energy use efficiency through the intelligent management of refrigeration equipment.

We continue to optimize the system structure and improve the effective utilization rate of computing resources. Through centralized management and allocation of resources by the Yeahka private clouds, we improved the effective utilization rate of gross computing resources by over 8%, and reduced the energy consumption by approximately 36 servers compared with last year. Besides, through the construction of private clouds, we implement the “half cloud + half physical host” deployment mode, and conduct centralized management and unified allocation of resources, greatly improving the utilization rate of the equipment, saving about 680,000 kWh of electricity, and effectively reducing energy consumption generated by the use of physical hosts.

To cope with the identified transition risks, the Company focuses on two aspects of technological innovation and green operation to formulate climate change mitigation and adaptation strategies. In terms of technological innovation, we actively explore and promote green and clean technologies, take advantage of our technological strengths to incorporate green concepts into all aspects, and strive to provide customers with lower-carbon products and services. In terms of green operation, we actively promote the green office concept, continue to optimize the allocation of resources in the office space, and implement more energy-efficient office initiatives, in an effort to minimize the impact of our operations on the environment, and help the Company achieve low-carbon transformation.

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6.1.3 CLIMATE CHANGE OPPORTUNITIES

While climate change poses risks, it also presents opportunities for enterprises that take the lead in making adaption and response. Under the background of China’s “carbon peak” and “carbon neutrality”, we actively explore potential development opportunities in the circular economy and low-carbon products and services.

Type of opportunities	Characteristics of opportunities	Specific opportunities	Description of opportunities	Impact time frame
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. With the increasing demand for green and low-carbon products and services, the digital transformation of the payment industry will continue to accelerate, transforming from multi-scenario single service to full-scenario digital operation, resulting in a continued increase in the market demand for integrated services	Long
		Customer preference	Under the background of low-carbon economic transformation, the development of 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. Yeahka may take this opportunity to increase online business income, market share and penetration rate	Long

Under the background of the national “dual carbon” policy, 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 explore into artificial intelligence, big data analysis and other fields, and continuously strengthen our product innovation capabilities to adapt to market changes, meet customer needs, and boost the long-term and high-quality development of our business.

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6.2 PRACTICING GREEN OPERATION

Yeahka always adheres to the balanced development of economic benefits and environmental benefits. We integrate the green and environmental protection concepts into all aspects of the Company's daily operations, actively take action on issues such as energy conservation, consumption reduction and waste management, practice green operations, and strive to make positive contributions to environmental protection. While fulfilling corporate environmental protection responsibilities, we strictly comply with 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 2023, the Company did not have any major violations regarding environmental management.

6.2.1 REFINED MEASURES FOR ENERGY SAVING AND EMISSION REDUCTION

Yeahka always aims for low energy consumption and sustainable operations, actively exploring the feasibility of rational resource utilization and reducing the environmental impact of its business activities. In active response to the national energy conservation and emission reduction policies, we have formulated the "Yeahka Green Office Manual" to actively promote the concepts of sustainable development into various aspects of our daily operations. We guide our employees to develop good green office habits by focusing on office water and electricity consumption, emissions management, household waste classification, travel, meals and tea.

The resources consumed by the Company mainly include printing paper, water and electricity; pollutant emissions include domestic sewage, as well as greenhouse gases and air pollutants due to purchased electricity and use of official vehicles. Our domestic sewage is collected and discharged to the municipal sewage pipe network for treatment, and no direct sewage discharge is involved.

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Water Saving

Water saving target setting: The per capita monthly water consumption has decreased.

- 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.



Electricity saving

Electricity saving target setting: Monthly electricity consumption in each workplace has decreased compared to previous years.

- 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;
- 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 turn off lamps whenever leaving the office to reduce power consumption;
- Install time/lighting controllers to control the lighting of common areas in the office to reduce the waste of power resources.



Emission reduction

- In terms of commuting to and from work, encourage employees to travel by foot, bicycle, public transportation or car-pooling instead of driving their own car;
- In terms of travel by vehicles for office use, 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;
- In terms of business travel, 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.

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6.2.2 WASTE MANAGEMENT

In 2023, the wastes involved in Yeahka mainly include four categories, namely daily office waste, scrapped waste, domestic food waste and hazardous waste. The Company disposes of different categories of wastes in strict compliance with relevant laws and regulations.

Daily office waste	Scrapped waste	Domestic food waste	Hazardous waste
<ul style="list-style-type: none"> • Definition: Mainly include waste cartons, waste paper cans, waste paper, etc.; • Disposal method: Collected and stored by the cleaning service and delivered to waste recyclers for treatment. 	<ul style="list-style-type: none"> • Definition: Mainly include scrapped equipment, devices and scrap materials; • Disposal method: 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. 	<ul style="list-style-type: none"> • Definition: Mainly include domestic food waste generated from employees' office and dining; • Disposal method: Collected by the cleaning service on a daily basis and placed in a fixed collection area for disposal of by the property management company. 	<ul style="list-style-type: none"> • Definition: Mainly include waste batteries, waste ink cartridges, etc.; • Disposal method: 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.

We aim to reduce waste, actively respond to the national requirements for waste classification, adhere to the reduction, recycling and harmless treatment principles, strengthen the management of waste from every aspect of our daily operations, and raise the awareness of waste reduction among our employees. Specific measures include but are not limited to:

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REDUCTION

- 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; we also reduce or avoid excessive decorative layouts and reduce the waste of paper materials for atmosphere decoration during holidays;
- 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;
- Reduction advocacy: We have added a food-saving publicity slogan on the home page of Leshangquan to promote a scientific and civilized catering consumption model, and advocate the concept of conservation to consumers so as to further reduce waste emissions. We carry out publicity activities such as the World Forest Day to advocate environmental protection and popularize environmental knowledge to consumers. 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.

RECYCLING

- Office supplies: Use durable materials for each activity, and avoid inscribing the name and date of a specific activity, so as to facilitate future reuse;
- Setting up unified classified garbage cans in the office area and keeping the office environment clean and tidy, and effectively cooperating with the classified recycling company in carrying out resource-based treatment of wastes, so that they can be recycled and reused.

HARMLESS TREATMENT

- Hazardous wastes, such as waste batteries and waste ink cartridges, are disposed of by qualified third-party agencies to ensure proper disposal of hazardous waste.

APPENDIX I TABLE OF 2023 ESG KEY PERFORMANCE DATA

ENVIRONMENTAL SUBJECT AREA

KPIs		UNIT	2023
Emissions	SO2 emissions	kg	0
	NOx emissions	kg	0
	PM emissions	kg	0
GHG emissions	GHG emissions (Scope 1) ²	tCO ₂ e	0
	GHG emissions (Scope 2) ³	tCO ₂ e	595.63
	Total GHG emissions	tCO ₂ e	595.63
	GHG emission intensity	tCO ₂ e/revenue RMB million	0.15
Hazardous wastes	Total hazardous wastes	tonnes	0.52
	Intensity of hazardous wastes	tonnes/revenue RMB million	0.00013
Non-hazardous wastes	Total non-hazardous wastes	tonnes	17.64
	Intensity of non-hazardous wastes	tonnes/revenue RMB million	0.004
Energy consumption	Total energy consumption	MWh	740.65
	Direct energy consumption	MWh	0
	Indirect energy consumption	MWh	740.65
	Energy consumption intensity	MWh/revenue RMB million	0.19
	Total electricity consumption	MWh	740.65
	Gasoline consumption	Liters	0
Water consumption	Water consumption	m ³	6,604.49
	Water consumption intensity	m ³ /revenue RMB million	1.67

² 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.

³ Scope 2 greenhouse gas emissions mainly come from indirect greenhouse gas emissions generated by purchased electricity and steam consumption in the Company's operation/production process.

APPENDIX I TABLE OF 2023 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, 2023 to December 31, 2023.
2. The types of energy consumed by the Company include 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		2023	
Total workforce by gender, employment type, age group and geographical region			
		Number of employees	Percentage
By gender	Male	791	71.71%
	Female	312	28.29%
By employment type	Full-time	1,103	100.00%
By age group	Below 30	486	44.06%
	Aged 31-40	554	50.23%
	Aged 41-50	62	5.62%
	Above 50	1	0.09%
By geographical region	Chinese mainland	1,098	99.55%
	Overseas, Hong Kong, Macao and Taiwan	5	0.45%
Total workforce		1,103	
Employee turnover rate by gender, age group and geographical region			
		Number of turnover employees	Turnover rate
By gender	Male	81	9.29%
	Female	55	14.99%
By age group	Below 30	76	13.52%
	Aged 31-40	56	9.18%
	Aged 41-50	4	6.06%
	Above 50	0	0.00%
By geographical region	Chinese mainland	135	10.95%
	Overseas, Hong Kong, Macao and Taiwan	1	16.67%

APPENDIX I TABLE OF 2023 ESG KEY PERFORMANCE DATA

Health and Safety			
Number of work-related fatalities		0 (no work-related fatalities occurred in the past three years)	
Lost days due to work injury		0	
Percentage of employees trained and average training hours completed per employee by gender and rank			
		Percentage of employees trained	Average training hours completed per employee
By gender	Male	100.00%	57.32
	Female	100.00%	53.84
By rank	Senior management	100.00%	56.00
	Middle management	100.00%	60.95
	General employees	100.00%	55.32
Number of Suppliers			
Number of Suppliers	Number of suppliers who have signed the “Letter of Commitment for Anti-commercial Bribery”	70	
	Number of suppliers who have implemented relevant policies (especially environmental protection and social policies)	30	
Customer Service Data			
Number of customer complaints (Cases)		95,160	
Number of follow-up visits (Cases)		84,563	

APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

	ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
A1 General Disclosure	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 for Emission Reduction to Embrace a Green Future
A1.1	The types of emissions and respective emissions data.	Disclosed	Appendix I
A1.2	Total greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	Technology for Emission Reduction to Embrace a Green Future
A1.6	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 for Emission Reduction to Embrace a Green Future
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Technology for Emission Reduction to Embrace a Green Future

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ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
A2.1 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
A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I
A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Technology for Emission Reduction to Embrace a Green Future
A2.4 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 for Emission Reduction to Embrace a Green Future
A2.5 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.	-
A3 General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	Technology for Emission Reduction to Embrace a Green Future
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Technology for Emission Reduction to Embrace a Green Future
A4 General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Disclosed	Technology for Emission Reduction to Embrace a Green Future
A4.1 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 for Emission Reduction to Embrace a Green Future

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	ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
B1 General Disclosure	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 Build Diverse Teams
B1.1	Total workforce by gender, employment type, age group and geographical region.	Disclosed	Appendix I
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix I
B2 General Disclosure	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 Build Diverse Teams
B2.1	Number and rate of work-related fatalities.	Disclosed	Technology Sharing to Build Diverse Teams
B2.2	Lost days due to work injury.	Disclosed	Appendix I
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Technology Sharing to Build Diverse Teams
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Technology Sharing to Build Diverse Teams
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix I
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix I

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	ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
B4 General Disclosure	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 Build Diverse Teams
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Technology Sharing to Build Diverse Teams
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Technology Sharing to Build Diverse Teams
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	Technology Sharing to Build Diverse Teams
B5.1	Number of suppliers by geographical region.	Disclosed	Technology Sharing to Build Diverse Teams
B5.2	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 Build Diverse Teams
B5.3	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 Build Diverse Teams
B5.4	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 Build Diverse Teams

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	ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
B6 General Disclosure	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 Innovation and Development
B6.1	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.	-
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	Appendix I and Technology Empowerment to Lead Innovation and Development
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Technology Empowerment to Lead Innovation and Development
B6.4	Description of quality assurance process and recall procedures.	Disclosed. Our products do not involve product recall.	Technology Empowerment to Lead Innovation and Development
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Technology Empowerment to Lead Innovation and Development

APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

	ESG INDICATORS	DISCLOSURE	CORRESPONDING CHAPTER
B7 General Disclosure	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	Corporate Governance
B7.1	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	Corporate Governance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Corporate Governance
B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	Corporate Governance
B8 General Disclosure	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 Boosting Social Development
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Technology Aid in Boosting Social Development
B8.2	Resources contributed (e.g. money or time) to the focus areas.	Disclosed	Technology Aid in Boosting Social Development

Yeahka 移卡