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Yeahka 移卡

YEAHKA LIMITED

移卡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9923)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of YEAHKA LIMITED (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2024 (the “**Reporting Period**” or “**Year**”) together with the comparative figures for the year ended December 31, 2023.

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

BUSINESS REVIEW AND OUTLOOK

Business and Financial Summary

- As a payment-based technology company, we have been focusing in recent years on in-depth and extensive application of generative AI technology, and have achieved remarkable results in reducing costs, increasing efficiency and generating revenue for the Company and our customers. Fushi Technology (Shenzhen) Co., Ltd. (深圳市富匙科技有限公司) (“**Fushi Technology**”), a company we invested in, launched the first AI Agent industry solution for merchants in Southeast Asia.
- For the year ended December 31, 2024, our overseas business transaction volume exceeded RMB1.1 billion, a nearly five-fold year-on-year increase, with expanded business footprint in more Asian countries such as Japan and Singapore;
- Our one-stop payment services continued to lead the industry, with peak number of daily transactions reaching nearly 60 million;
- Against the industry backdrop of decrease in average transaction value per customer in the Reporting Period, our gross payment volume (GPV) for the year ended December 31, 2024 was RMB2,335.5 billion, representing a decrease of 19.0% compared to 2023;
- Our payment fee rate¹ for the year ended December 31, 2024 was 11.9 basis points (bps), maintaining our commercialization capabilities in line with industry trends;

¹ After eliminating the impact of the “Non-Recurring Adjustment on Revenue”. For details, see “Management Discussion and Analysis – Non-IFRS Measures”.

- Revenue for the year ended December 31, 2024 was RMB3,086.7 million, representing a decrease of 21.9% from 2023;
- Optimization of business structure continued, where revenue contribution from value-added services with higher gross profit margins (including merchant solutions and in-store e-commerce services) increased from 11.8% of total revenue for the year ended December 31, 2023 to 13.0% in 2024;
- Overall gross profit margin increased from 18.7% for the year ended December 31, 2023 to 23.6% in 2024. Overall gross profit margin for the six months ended December 31, 2024 reached 28.4%, recovering to pre-pandemic levels;
- Leveraging the broader application of AI across the Group's three major business lines, selling, administrative, and research and development expenses for the year ended December 31, 2024 decreased by 11.0%, 10.8%, and 10.5%, respectively, compared to 2023, reflecting cost reduction across the board;
- As a result of actively upgrading our equity shareholding and financing structure and optimizing finance cost, the finance costs for the year ended December 31, 2024 reduced by 31.5% compared to 2023;
- Adjusted EBITDA for the year ended December 31, 2024 was RMB384.5 million. Profit for the year amounted to RMB73.0 million for the year ended December 31, 2024, representing an increase of more than six times compared to 2023. Net cash generated from operating activities for the year ended December 31, 2024 was approximately RMB118.9 million; and
- Gearing ratio decreased to 35.9% as of December 31, 2024 due to the Company's early repurchase of its convertible bonds using its internal cash flow.

About Yeahka

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

Strategic Progress and Outlook

In 2024, we took first-mover advantage to fully embrace AI and generative technologies, and developed a series of new, proprietary products that deeply met various industries' business needs, helping merchants ride on the opportunities brought upon by AI, and applying them to all aspects of the Company's operations to improve efficiency and reduce costs. In the second half of 2024, our domestic payment business recovered rapidly and achieved higher profits, while our overseas business also maintained strong growth. We extended our value-added services, based on our large payment base comprising trillions RMB worth of transaction volume annually and its various extension of use cases, to many more regions including overseas to increase economies of scale and profit growth. Our business, together with our investee company Fushi Technology, has covered multiple regions in Asia, achieved much more card acceptance channels both domestically and internationally, and reached strategic cooperation with many global banks. More large domestic and foreign chain enterprises have become our customers, covering more comprehensively various

vertical and product service needs, which speaks to the scalability of our products and business models in a wide range of regions. Our high-quality and convenient one-stop payment and other value-added service solutions, combined with years of accumulated experience and understanding of the needs of various vertical industries, will continuously strengthen our Company's inherent competitive advantage and continue to lead the industry, which is still in its early stages in AI application globally.

Given macroeconomic volatility driving industry decrease in average transaction amount per customer in the industry and the high base in the same period in 2023, the transaction volume in payment industry was temporarily affected in 2024. Our GPV decreased by 19.0% year-on-year from RMB2,882.9 billion in the year ended December 31, 2023 to RMB2,335.5 billion in the same period for 2024. As a result, our revenue for the year ended December 31, 2024 was RMB3,086.7 million, a decrease of 21.9% from RMB3,950.6 million for the same period in 2023. At the same time, our revenue structure had been further optimized, and the commercialization capabilities of value-added services (including merchant solutions and in-store e-commerce services) have been enhanced, with their contribution to our Company's revenue increasing from 11.8% in the year ended December 31, 2023 to 13.0% in the same period for 2024, making the Company's business model more comprehensive and diversified.

In the second half of 2024, our gross profit increased by 42.7% period-on-period to RMB428.5 million, mainly due to the rapid recovery of our domestic payment business and its strong profitability during the period. The impact of the "Non-Recurring Adjustment on Revenue"² on gross profit has ended and will not be further offset in the future, resulting in the gross profit of our one-stop payment services increasing from RMB92.9 million in the first half of 2024 to RMB289.8 million in the second half of 2024. Our gross profit margin increased from 18.7% for the year ended December 31, 2023 to 23.6% for the same period of 2024, mainly due to the increase in payment gross profit mentioned above (payment gross profit margin increased from 6.9% in the first half of 2024 to 21.6% in the second half of 2024), the increase in revenue from value-added services (the gross profit margins of such businesses were higher than those of our payment business) as well as the increase in overall gross profit margins from value-added services.

We continue to leverage artificial intelligence in various areas. For example, we used industry-leading, large models domestically and globally such as DeepSeek to deploy our latest "Y-Copilot" coding assistant, which increased our Company's internal code adoption rate to over 30%. We have also developed our own AI internal efficiency-improvement tool, "Xiaoka Assistant", to improve the efficiency of content production, intelligent customer service, programming, copywriting and video generation, and fully empower internal operations and external customer service. By increasing the use of AI tools, we reduced related operating expenses by 20%. As a result, our selling expenses, administrative expenses and research and development expenses for the year ended December 31, 2024 decreased by 11.0%, 10.8% and 10.5% year-on-year, respectively.

Our effective financial management resulted in a significant decrease of 31.5% in financing costs for the year ended December 31, 2024 from the same period of 2023. Adjusted EBITDA for the year ended December 31, 2024 was RMB384.5 million. Our profit for the Reporting Period increased more than six-fold from RMB10.1 million for the year ended December 31, 2023 to RMB73.0 million for the same period in 2024. During the same period, our profit margin increased to 2.4%.

² Please refer to the note in "Management Discussion and Analysis – Non-IFRS Measures"

The following table sets forth the comparative figures for the year ended December 31, 2024 and December 31, 2023, respectively:

	For the year ended December 31,		
	2024	2023	Year-on-
	RMB'000	RMB'000	year change
			(%)
Revenue	3,086,742	3,950,585	(21.9)
– One-stop payment services	2,685,898	3,484,960	(22.9)
– Merchant solutions	339,646	362,951	(6.4)
– In-store e-commerce services	61,198	102,674	(40.4)
Gross profit	728,764	738,164	(1.3)
Gross profit margin	23.6%	18.7%	4.9 ⁽¹⁾
– One-stop payment services	14.2%	9.7%	4.5 ⁽¹⁾
– Merchant solutions	87.2%	87.4%	(0.2) ⁽¹⁾
– In-store e-commerce services	81.3%	80.3%	1.0 ⁽¹⁾
Profit for the Year	73,014	10,113	622.0
Profit margin for the Year	2.4%	0.3%	2.1 ⁽¹⁾

Note:

(1) Percentage points.

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

AI Technology Applications and Product Innovation

Since 2023, our AI Lab has begun to deploy and apply large models such as DeepSeek. Combined with years of deep understanding of merchants' business models from a large number of industries, it accelerated the implementation of AI technology across commercial use cases, enabling our customers to reduce costs, increase efficiency and generate revenue.

Our proprietarily developed Winsfor business intelligence platform connects customers to a comprehensive set of external platforms such as JD, Douyin, Meituan, WeChat and Xiaohongshu (RedNote), and enhances their sales conversion by providing automatic build-up of e-stores, AI content creation, live broadcast planning, and traffic distribution services based on data from large models. We have also teamed up with our investee company Fushi Technology to launch the first AI Agent industry solution for merchants in Southeast Asia, which uses artificial intelligence technology to enhance merchants' business and services, including: (i) intelligent transaction data analysis: transaction behavior analysis based on machine learning algorithms, dynamically optimizing product recommendation strategies, helping merchants deeply understand customer behavior and improve conversion rates; (ii) intelligent creative generation and precision marketing: our system automatically outputs marketing design plans that meet the brand tone based on original materials uploaded by merchants, and proactively follows up automatically; and (iii) intelligent ordering and humanized recommendations: integrating natural language processing in depth, providing accurate recommendations and completing orders through precise understanding of consumer needs. In the future, we will also launch multi-modal digital employees that support multiple languages to provide intelligent ordering, pre-sales consultation and after-sales service processing.

Internally, we have built a general intelligent platform, incorporated AI into every aspect of our business process, and improved the execution efficiency of personnel and information coordination. Our “Xiaoka Assistant” provides content production, intelligent customer service, programming, copywriting and video generation functions to empower our Company’s internal operations and external customer service. Our “Y-Copilot” coding assistant uses large models to improve production and research efficiency, increasing our Company’s internal code adoption rate to more than 30%, and help various projects to be implemented more quickly. AI technology is used to optimize the efficiency of customer KYC, liveness and document verification, and to improve risk control such as risk relationship detection and abnormal transactions. By increasing the use of AI tools, we reduced related operating expenses by 20%.

Rapid Growth of Overseas Business and Deepened Global Penetration

In 2024, our overseas business continued to grow rapidly, with broader and deeper connections across international channels. We broadened our coverage of customer industry verticals as well as product and service demands, further solidifying our globalization strategy. Our overseas GPV for the full year of 2024 exceeded RMB1.1 billion, an increase of nearly five-fold year-on-year, demonstrating our market expansion capabilities and recognition from customers.

In terms of channel development, we have achieved full acceptance of all card types both domestically and internationally, joining global leading payment networks such as Visa, Mastercard, and UnionPay International as an institutional member. In addition, we strategically initiated in-depth collaborations with globally renowned banks like Citibank, HSBC, and Barclays, further enhancing our global payment network coverage and service quality. Regarding customer acquisition, we significantly deepened our penetration within our customer verticals, successfully onboarding new customers from sectors such as automotive, luxury goods, beauty and haircare, alongside leisure and entertainment. Notable new merchants include Clinique, %Arabica, Bose, Leica, Xiaomi and Xiabu Xiabu and other prominent brands which enriched the diversity of our customer base and strengthened our business’s resilience.

Our overseas product coverage also further expanded. Fushi Technology, our investee company, provided one-stop digital payment and other value-added services platform for well-known international brands such as Playmade, Coffee Bean, Mr. Coconut, and KOI. This included Fushi Technology’s newly developed AI Agent, which is the first in Southeast Asia. Through its intelligent ordering function, powered by an AI recommendation engine and natural language interactive processing technology, it has transformed consumer’s experience into an automatic, humanized one: offering services such as smart dish recommendations, conversational ordering, and interactive sharing of brand culture, product profiles and store information. Our AI Agent is expanding into more sectors such as retail, culture and tourism, and entertainment, among others.

Additionally, building on our success in our local lifestyle services and in-store e-commerce services domestically, we helped our brand customers enhance brand visibility more globally on platforms like Xiaohongshu (RedNote) and Dianping’s international versions across Japan, Singapore and Hong Kong SAR. We will continue to expand our local licenses portfolio and our talent teams in different regions, and to provide merchants with high-quality and convenient one-stop payment and other value-added services solution in more regions.

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

Our One-Stop Payment Services continued to lead the industry. The peak daily transaction counts for our app-based payments reached nearly 60.0 million. Starting from the second half of 2024, our domestic payment service was no longer impacted by the “Non-Recurring Adjustment on Revenue”³ and we consistently demonstrated robust resilience of our business’ innate profitability. Gross profit of our one-stop payment services business for the second half of 2024 increased 212.1% to RMB289.8 million compared to that of the first half of 2024, and gross profit margin increased to 21.6% during the same period.

We continued to strengthen our diversified channel expansion, connecting with over 6,000 SaaS partners. Our partner base increased by 32.0% year-on-year. At the same time, we established group-level strategic partnerships with major joint-stock commercial banks, increasing our banking partner network for joint merchant acquiring to nearly 160, while further scaling market coverage through approximately 17,000 independent sales organizations. We continued to expand our business in Northeast and Northwest China. We delivered more tailored solutions specific to sectors such as apparel, maternity and baby care, and energy, effectively mitigated the impact of industry cyclical fluctuations and enhanced our profitability.

We actively integrated AI technology in areas such as KYC, risk management, customer service and operations. In 2024, we made more than 17 billion risk decisions, processed more than 19 million risk transactions, safeguarding transaction safety. In the meantime, we leveraged biometric technology to shorten merchant verification time, increasing intelligent customer service resolution rates to 85%. Based on our vast data and information and years of industry experience, we will extend our non-payment use cases and value-added products, and provide solid infrastructure for commerce construction and business support.

Merchant Solutions: Commercialization of AI and Data Technology with High Gross Profit Margin Maintained

Despite industry decrease in average transaction amount per customer during the Reporting Period, revenue from our merchant solutions declined slightly by 6.4% year-on-year from RMB363.0 million for the year ended December 31, 2023 to RMB339.6 million for the year ended December 31, 2024, primarily due to the fact that our precision marketing business reached a record high in business transaction amount in 2024. Gross profit margin for the year ended December 31, 2024 maintained at 87.2%, a level similar with that of 2023, primarily due to our products’ high profitability and cost control, and focus on customers with higher profit margin.

In 2024, we achieved industry leadership in marketing service for fintech sectors such as credit and insurance, covering over 90% of the major clients in the industry, including Ant Group, WeBank, Ningbo Bank, and ZhongAn Insurance. We further optimized mainstream online media resources, including Tencent and Douyin, enabling more comprehensive coverage of financial projects and solidifying our position as a multi-platform marketing service provider. By leveraging AI algorithms for precise advertisement targeting and dynamic creative content generation, we significantly improved conversion rates.

³ Please refer to the note in “Management Discussion and Analysis – Non-IFRS Measures”

In the fintech sector, we also leveraged AI technology to enhance business intelligence and risk control capabilities. For instance, we utilized the massive transaction data generated by our payment business and applied AI algorithms to analyze in depth the relationship between merchants' operational and financial metrics and their repayment performance, continuously optimizing our self-developed credit assessment model. Through this approach, we strengthened the risk control capabilities of our fintech value-added products across various business use cases, thereby enhancing the potential for long-term profitability.

The contribution to our total revenue from merchant solutions increased from 9.2% for the year ended December 31, 2023 to 11.0% for the year ended December 31, 2024. Deepening AI applications continuously and expanding cooperation with our domestic and international strategic partners will further optimize commercialization capability of this business segment and improve our overall income and profitability.

In-store E-commerce Services: Strategic Upgrades Bringing Significant Improvement on Profitability

We strategically upgraded our in-store e-commerce services across the board, focusing on high-quality and higher-margin customers. We significantly reduced our investment in direct sales team and instead developed distribution channels and sales networks. Against the backdrop of gradually phasing out customers with lower profitability contributions, revenue from our in-store e-commerce services for the year ended December 31, 2024 decreased. We concentrated on providing services to large-scale customers, designed comprehensive marketing packages and focused on services' upsale and quality execution, such that both revenue and profit per merchant served in 2024 doubled year-over-year. We also optimized our fees model: by the end of 2024, our fees paid upfront contributed around 50% of revenue in in-store e-commerce services, further ensuring profitability of each of our service offerings. The number of stores we served continued to increase year-on-year, covering key consumer segments such as hotel and hospitality, culture and tourism, entertainment, dining, and retail, with new brand additions including InterContinental Hotels, Sunac Snow Park (融創雪世界), BlissCake (幸福西餅), and Jinyi Cinema (金逸影城). Diversified sector coverage improved the inherent resilience and sustainability of our in-store e-commerce business.

The gross profit margin for our in-store e-commerce services increased from 80.3% for the year ended December 31, 2023 to 81.3% for the year ended December 31, 2024. High gross profit margin was maintained as a result of our strategic business upgrade and increased AI application usage in business operation, including the provision of toolkits such as automatic build-up of e-stores in various use cases, AI content generation, livestreaming scriptwriting, effectively reducing manual labour for marketing and production, thereby raising average revenue and profit contribution from our employees in 2024 year-over-year.

Overall, our in-store e-commerce services were becoming break-even as the period of significant investment ended. It remained stable in scale with continued healthy growth, having accumulated large amount of experience that supports sustainable development in the future.

In 2024, we also partnered with Meituan and JD.com's food delivery services to build a comprehensive "in-store + at-home" full-use-case service platform, further enriching our local lifestyle services. In addition, synergies with our overseas business increased, as we successfully launched local lifestyle services for merchants in Japan, Singapore and Hong Kong SAR. These services assist merchants in industries such as food and beverage, tourism, hotel and hospitality in promoting their brands on platforms like Xiaohongshu (RedNote)'s and Dianping's international versions, accelerating progress in our global expansion strategy.

Financial Planning: Capital Structure Enhanced and Shareholder Returns Increased

To build long-term competitiveness and enhance shareholder value creation, in 2024 we implemented a series of financial initiatives to optimize capital allocation across multiple dimensions. We strategically deployed our internal cash flow resources to repurchase an aggregate principal of US\$35 million of convertible bonds at a discount in the first half of the year, and fully redeemed the remaining outstanding amount of another US\$35 million in July 2024. These transactions significantly reduced interest expenses and improved our debt-to-asset ratio. Additionally, in August 2024, the Board approved an additional allocation of US\$10 million for share repurchases, utilizing flexible capital instruments to increase earnings per share and bolster shareholder equity.

As a result of a streamlined debt structure and rigorous finance cost management, our financial costs for full-year 2024 decreased by over 30% year-on-year. Combined with enhanced operational efficiency, our profit for the Year surged more than six-fold to RMB73.0 million, with profit margin for the Year increasing to 2.4%. Furthermore, we successfully attracted investments from international long-only funds and multi-strategy funds, enabling us to secure lower-cost financing while continuously optimizing our equity structure.

Company Outlook

Looking ahead, we remain committed to an innovation-driven development strategy, further harnessing the transformative power of AI technology in our business. Our primary focus will be on enhancing operational efficiency and product competitiveness, allowing us to deliver more efficient and intelligent payment-based one-stop digital solutions for merchants. Building on our established product system and operational expertise within China, we will accelerate our globalization efforts and actively pursue opportunities in international markets, achieving further diversification and expansion of our global presence.

As the cornerstone of our business, our one-stop payment services will continue to play a foundational role, providing extensive resource support and creating synergistic value across our other business segments. Simultaneously, we will strengthen the commercialization capabilities of our merchant solutions and in-store e-commerce operations, introducing a wider array of products and services that align with market demands while integrating cutting-edge technologies to further enhance profitability and market share.

We prioritize localized operations and technological innovation to ensure sustainable, high-quality growth. Our sizeable payment volume in China and our fast-growing payment volume overseas will continue to provide a solid and unique foundation for the extension of our one-stop payment and other value-added technology services to more regions and for more use cases.

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

We have been informed by our controlling shareholder, Creative Brocade International Limited (“**Creative Brocade International**,” an entity controlled by our founder, chairman of the Board, and chief executive officer, Mr. Liu Yingqi), that as of the date of this announcement, it has purchased a total of 2,866,800 shares of the Company (the “**Shares**”) from the open market since January 1, 2024, representing 0.62% of the issued Shares as of the date of this announcement. By increasing their shareholding in the Company, Mr. Liu and Creative Brocade International have expressed their confidence in the Group’s future development prospects and recognized its intrinsic value.

Meanwhile, during the Reporting Period, the trustee of the RSU Scheme (as defined below) has utilized an aggregate of approximately HKD52.1 million (including commissions and transaction costs) to purchase 4,224,400 Shares from the open market at a consideration ranging from HKD9.01 to HKD14.76 per Share. The Shares purchased during such period represent 0.95% of the issued Shares as of December 31, 2024. The purchased Shares will be used as share awards to incentivize key personnel of our Group and/or its related entities.

Furthermore, the Board has approved an aggregate amount of US\$10 million for the Company's share repurchase purposes, further enhancing our shareholder return. In addition, the Company has redeemed, in advance, all of its 6.25% convertible bonds due in 2027, in the aggregate principal amount of US\$70 million (the "**Convertible Bonds**"). As of the date of this announcement, all the Convertible Bonds have been redeemed and canceled. The Convertible Bonds were delisted from The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on July 23, 2024. The Board believes that the early redemption of the Convertible Bonds will significantly reduce the Company's interest expenses and optimize its capital structure.

Environmental, Social and Governance ("ESG")

Amid the current corporate growth landscape, where sustainable development remains paramount, we have firmly embedded Environmental, Social, and Governance (ESG) principles at the core of our strategy. These values are woven into our strategic objectives and consistently practiced in our daily operations and management. By aligning our initiatives with global sustainable development goals, we innovatively drive the parallel development of our business and environmental and social values.

In 2024, we made significant achievements in the ESG domain. We attained a score of 59 in the S&P Global ESG Ratings and received an A – rating in the Hang Seng Corporate Sustainability Index, setting a new record for our performance and reinforcing our leadership position within the industry. Furthermore, we were proud to once again qualify for inclusion in the S&P Global 2024 Sustainability Yearbook (China Edition). On the environmental front, we have continuously optimized our system architecture, utilizing Yeahka's private cloud for centralized resource management and allocation. This initiative has realized an improvement of over 8% in overall computing resource utilization, resulting in energy savings of 810,000 kilowatt-hours. At our data operations center, we harnessed natural cooling sources to create a green data center, significantly reducing greenhouse gas emissions. Internally, we are committed to promoting green office initiatives and actively engage in outreach activities such as World Forest Day to disseminate environmental protection concepts and educate consumers on sustainability. Moreover, we have adopted the International Financial Reporting Sustainability Disclosure Standard No. 2 – Climate-related Disclosures (IFRS S2), managing and disclosing climate-related matters across four critical dimensions: governance, strategy, risk management, and metrics and targets.

Socially, we continue to enhance our transaction risk management and control capabilities. During the reporting period, we executed over 17 billion risk-based decisions and effectively managed more than 19 million risk transactions, ensuring a secure transaction environment. Meanwhile, we provided our employees with competitive compensation packages and diverse training opportunities. We also expanded our channels for promoting our corporate culture, aiming to cultivate a diverse and high-quality talent pool while sharing the benefits of corporate growth with our employees. Additionally, we leverage our product advantages to offer financial value-added services and non-financial support to small and micro enterprises, facilitating their brand promotion and contributing positively to economic recovery.

In terms of corporate governance, we remain dedicated to enhancing our governance framework. The Board of Directors actively seeks to recruit female candidates to promote diversity and improve our governance standards. We integrate ESG factors into our risk governance system and maintain ongoing compliance and risk-related training to strengthen our risk management capabilities. During the reporting period, we organized multiple training sessions on anti-corruption, compliance operations, risk management, and anti-money laundering, ensuring comprehensive coverage for all employees through our enhanced manual, the “Sunshine Code of Conduct.” Furthermore, we refined our anti-money laundering protocols and established a reporting mechanism to safeguard the interests of our clients and shareholders. We also developed the “Yeahka Tax Guidelines” and emphasized anti-money laundering and counter-terrorism financing measures in our “Anti-Money Laundering Policy Statement.” Importantly, we prioritize the legitimate rights of minority shareholders and maintain robust communication with them through various channels.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF PERFORMANCE FOR THE YEAR ENDED DECEMBER 31, 2024

	For the year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3,086,742	3,950,585
<i>Including: interest revenue</i>	168,940	130,805
Cost of revenue	(2,357,978)	(3,212,421)
Gross profit	728,764	738,164
Selling expenses	(111,208)	(124,971)
Administrative expenses	(302,131)	(338,833)
Research and development expenses	(237,570)	(265,572)
Net impairment losses on financial assets	(88,183)	(57,843)
Other income	25,191	56,256
Fair value changes of financial assets and financial liabilities at fair value through profit or loss – net	81,051	144,563
Other gains/(losses) – net	19,587	(26,750)
Operating profit	115,501	125,014
Finance costs	(61,584)	(89,937)
Share of profits of investments accounted for using the equity method	29,530	357
Profit before income tax	83,447	35,434
Income tax expense	(10,433)	(25,321)
Profit for the year	73,014	10,113
Profit for the year attributable to:		
Equity holders of the Company	82,452	11,627
Non-controlling interests	(9,438)	(1,514)

Revenue

We generate revenue primarily through our three main types of business, namely (i) one-stop payment services, (ii) merchant solutions, and (iii) in-store e-commerce services. Our revenue decreased by 21.9% from RMB3,950.6 million for the year ended December 31, 2023 to RMB3,086.7 million for the year ended December 31, 2024, primarily due to macroeconomic volatilities and industry decline in customers' average transaction amount leading to decrease in our total GPV and hence revenue from our one-stop payment services.

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

	For the year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
Revenue from one-stop payment services	2,685,898	87.0	3,484,960	88.2
Revenue from merchant solutions	339,646	11.0	362,951	9.2
Revenue from in-store e-commerce services	61,198	2.0	102,674	2.6
Total	<u>3,086,742</u>	<u>100.0</u>	<u>3,950,585</u>	<u>100.0</u>

One-stop payment services

Revenue from our one-stop payment services decreased by 22.9% from RMB3,485.0 million for the year ended December 31, 2023 to RMB2,685.9 million for the year ended December 31, 2024, primarily due to the decrease in our total GPV which was impacted by macroeconomic volatilities and industry decrease in customers' average transaction amount.

Merchant solutions

Revenue from our merchant solutions decreased slightly by 6.4% from RMB363.0 million for the year ended December 31, 2023 to RMB339.6 million for the year ended December 31, 2024, primarily due to the fact that our precision marketing business reached a record high in business transaction amount in 2024, which largely canceled out the impact of decrease in user base in the second half of the Reporting Period.

In-store e-commerce services

Revenue from in-store e-commerce services decreased by 40.4% from RMB102.7 million for the year ended December 31, 2023 to RMB61.2 million for the year ended December 31, 2024, primarily due to the strategic upgrade in our business model, as we focus on high-quality and higher-margin customers and gradually phasing out customers with lower profitability contributions.

Cost of Revenue

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

	For the year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
Commissions and marketing costs	2,196,946	93.2	3,057,862	95.2
Amortization of other non-current assets	105,620	4.5	94,980	2.9
Raw materials and consumables	7,640	0.3	14,829	0.5
Others	47,772	2.0	44,750	1.4
Total	<u>2,357,978</u>	<u>100.0</u>	<u>3,212,421</u>	<u>100.0</u>

Our cost of revenue decreased by 26.6% from RMB3,212.4 million for the year ended December 31, 2023, to RMB2,358.0 million for the year ended December 31, 2024, primarily due to our gradual adjustments in the second half of the Reporting Period, and our strong bargaining power, which resulted in a reduction in commission expenses we paid to our payment distribution channels.

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

	For the year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
One-stop payment services	2,303,224	97.7	3,146,532	98.0
Merchant solutions	43,305	1.8	45,694	1.4
In-store e-commerce services	11,449	0.5	20,195	0.6
Total	2,357,978	100.0	3,212,421	100.0

Gross Profit and Gross Profit Margin

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

	For the year ended December 31,			
	2024		2023	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%
One-stop payment services	382,674	14.2	338,428	9.7
Merchant solutions	296,341	87.2	317,257	87.4
In-store e-commerce services	49,749	81.3	82,479	80.3
Total	728,764	23.6	738,164	18.7

Our gross profit decreased by 1.3% from RMB738.2 million for the year ended December 31, 2023 to RMB728.8 million for the year ended December 31, 2024 and our gross profit margin increased from 18.7% for the year ended December 31, 2023 to 23.6% for the year ended December 31, 2024.

Gross profit margin of our one-stop payment services increased from 9.7% for the year ended December 31, 2023 to 14.2% for the year ended December 31, 2024 as the “Non-Recurring Adjustment on Revenue”⁴ no longer affected results of the second half of 2024, and our strong bargaining power led to a decrease in commissions paid to payment distribution channels in the second half of the Reporting Period.

Gross profit margin of merchant solutions remained relatively stable at 87.4% and 87.2% for the years ended December 31, 2023 and 2024, respectively.

Gross profit margin of in-store e-commerce services remained relatively stable at 80.3% and 81.3% for the years ended December 31, 2023 and 2024, respectively.

⁴ Please refer to the note in “MANAGEMENT DISCUSSION AND ANALYSIS - Non-IFRS Measures”

Selling Expenses

Our selling expenses decreased by 11.0% from RMB125.0 million for the year ended December 31, 2023 to RMB111.2 million for the year ended December 31, 2024, primarily due to the reduced demand in manpower following the adoption of AI tools.

Administrative Expenses

Our administrative expenses decreased by 10.8% from RMB338.8 million for the year ended December 31, 2023 to RMB302.1 million for the year ended December 31, 2024, primarily due to the decreases in labor cost and depreciation and amortization.

Research and Development Expenses

Our research and development expenses decreased by 10.5% from RMB265.6 million for the year ended December 31, 2023 to RMB237.6 million for the year ended December 31, 2024, primarily due to the wider adoption of AI tools which were more cost effective.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased by 52.5% from RMB57.8 million for the year ended December 31, 2023 to RMB88.2 million for the year ended December 31, 2024, following the increased collaboration with commercial banks in our fintech services, which reduced the use of proprietary funds. As the principals and interests of the underlying loans which were granted by our loan facilitation partners increased, our maximum exposure arising from the provision of financial guarantee to certain loan facilitation parties also increased accordingly. For details, please refer to note 3.1(b) to the consolidated financial statements.

Other Income

Our other income decreased by 55.2% from RMB56.3 million for the year ended December 31, 2023 to RMB25.2 million for the year ended December 31, 2024, primarily due to the decreases in interest income from bank deposits and government grants.

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

We recorded fair value changes of financial assets and financial liabilities at fair value through profit or loss of RMB144.6 million for the year ended December 31, 2023 and RMB81.1 million for the year ended December 31, 2024, respectively, both of which were primarily due to the change in the fair value from the investments in preferred shares and related financial instruments of an investee company, Fushi Technology.

Other Gains/(Losses) – Net

We recorded other losses – net of RMB26.8 million and other gains – net of RMB19.6 million for the years ended December 31, 2023 and 2024, respectively. The change from other losses – net to other gains – net was primarily due to the gain on the early redemption of convertible bonds in 2024.

Operating Profit

As a result of the foregoing, we recorded operating profit of RMB125.0 million for the year ended December 31, 2023 and RMB115.5 million for the year ended December 31, 2024.

Finance Costs

Our finance costs decreased by 31.5% from RMB89.9 million for the year ended December 31, 2023 to RMB61.6 million for the year ended December 31, 2024, primarily due to the early redemption of convertible bonds in 2024.

Share of Profits of Investments Accounted for Using the Equity Method

We recorded share of profits of investments accounted for using the equity method of RMB0.4 million and RMB29.5 million for the years ended December 31, 2023 and 2024, respectively. The change was primarily due to the increase in the carrying amount of our equity interests in an associate of the Group.

Profit Before Income Tax

As a result of the foregoing, our profit before income tax increased by 135.5% from RMB35.4 million for the year ended December 31, 2023 to RMB83.4 million for the year ended December 31, 2024.

Income Tax Expense

Our income tax expense decreased by 58.8% from RMB25.3 million for the year ended December 31, 2023 to RMB10.4 million for the year ended December 31, 2024. Our effective tax rate was 71.5% and 12.5% for the year ended December 31, 2023 and 2024, respectively. The decrease was mainly attributable to (i) the high base in 2023 as we did not recognize our loss as deferred tax asset due to our prudent approach; and (ii) the preferential tax treatment of certain subsidiaries with “high and new technology” status and R&D expenses in 2024.

Profit for the Year

As a result of the foregoing, our profit increased by 622.0% from RMB10.1 million for the year ended December 31, 2023 to RMB73.0 million for the year ended December 31, 2024

Non-IFRS Measures

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

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

	Unaudited	
	For the year	
	ended December 31	
	2024	2023
	RMB'000	RMB'000
Profit for the year	73,014	10,113
<i>Adjusted for:</i>		
Finance costs	61,584	89,937
Amortization of other non-current assets	105,620	94,980
Depreciation of property, plant and equipment	29,575	37,719
Amortization of intangible assets	18,058	18,211
Income tax expense	10,433	25,321
EBITDA	298,284	276,281
<i>Add:</i>		
Share-based compensation expenses	107,159	79,929
Non-Recurring Adjustment on Revenue ⁽¹⁾	86,100	344,400
<i>Deduct:</i>		
Fair value changes of financial assets and financial liabilities at fair value through profit or loss – net	(81,051)	(144,563)
Gain on repurchase of Convertible Bonds	(26,009)	–
Adjusted EBITDA	384,483	556,047

Note: During the years ended December 31, 2023 and 2024, we paid approximately RMB344.4 million and RMB86.1 million, respectively, to a suspense account of the payment networks in relation to interchange fee rate adjustments as requested by the payment networks. We netted off such payments made to the suspense account from our one-stop payment services revenue in accordance with the Group's accounting policies of revenue recognition and based on our communications with the payment networks. Such non-recurring adjustment ceased in the first half of 2024.

Our adjusted EBITDA for the year decreased by 30.9% from RMB556.0 million for the year ended December 31, 2023 to RMB384.5 million for the year ended December 31, 2024.

Capital Structure

Our total assets decreased from RMB8,420.4 million as of December 31, 2023 to RMB7,705.5 million as of December 31, 2024. Our total liabilities decreased from RMB5,803.0 million as of December 31, 2023 to RMB5,116.0 million as of December 31, 2024. Liabilities-to-assets ratio decreased from 68.9% as of December 31, 2023 to 66.4% as of December 31, 2024.

Our current ratio, being current assets divided by current liabilities as of the respective date, decreased from 1.24 as of December 31, 2023 to 1.18 as of December 31, 2024.

Liquidity, Capital Resources and Gearing

The Group has adopted a prudent approach in financial resources management. For the year ended December 31, 2024, we financed our operations primarily through cash generated from business operations and bank borrowings. Our cash and cash equivalents decreased by 32.9% from RMB887.9 million as of December 31, 2023 to RMB595.7 million as of December 31, 2024, primarily attributable to (i) early redemption of the Convertible Bonds; and (ii) the payment to the trustee of the RSU Scheme to purchase Shares on market. As of December 31, 2024, the cash and cash equivalents of the Group were mainly denominated in RMB, USD and HKD. The Group maintains a strong cash position to meet potential needs for business expansion and development.

Our gearing ratio, being total debt (which includes total borrowings and convertible bonds) divided by total equity, decreased from 45.3% as of December 31, 2023 to 35.9% as of December 31, 2024, primarily attributable to the early redemption of the Convertible Bonds using internal cash flow.

Capital Expenditures

Our capital expenditures primarily consist of payments for purchasing property, plant and equipment, intangible assets and payment terminals. Our total capital expenditures decreased by 72.1% from RMB148.6 million for the year ended December 31, 2023 to RMB41.4 million for the year ended December 31, 2024. The decrease was primarily due to a reduction in the purchase of payment terminals in 2024.

Indebtedness

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

	As of December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Convertible bonds	–	405,539
Lease liabilities	16,767	28,896
Bank borrowings	3,000	–
	<hr/>	<hr/>
Current		
Bank and other borrowings	928,993	780,062
Lease liabilities	19,165	22,521
	<hr/>	<hr/>
Total	967,925	1,237,018
	<hr/> <hr/>	<hr/> <hr/>

Please refer to notes 20 and 22 to the consolidated financial statements for details of our borrowings and convertible bonds and their interest rates.

Contingent Liabilities

As of December 31, 2024, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group that was likely to have a material and adverse effect on our business, financial condition or results of operations.

Pledge of Assets

As of December 31, 2024, we pledged account receivables of about RMB15.0 million to one bank.

Loan Receivables

As of December 31, 2024, our loan receivables decreased to RMB658.1 million (as of December 31, 2023: RMB882.3 million), as we have increased our cooperation with commercial banks and reduced the use of our proprietary funds.

As part of our merchant solutions services, we aim to satisfy the working capital needs of our customers. Under prudent loan policies, qualified customers can gain access to credit facilities on our platform to purchase inventory, invest in customer acquisition and manage cash flow. As we are responsible for providing the platform as well as ancillary services, including loan applicant information collection and verification and credit assessment, the experience has been essential for the development of our risk management capabilities.

During the Reporting Period, there was no material impairment or write-off of any single loan transaction. For the risk management policies and basis of impairment assessments of the loan receivables, please refer to note 3 to the consolidated financial statements. For details of the major terms of the loans, please refer to note 15 to the consolidated financial statements.

Foreign Exchange Risk and Hedging

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

Material Acquisitions or Disposals and Future Plans for Major Investments

During the year ended December 31, 2024, we did not conduct any material investments, acquisitions or disposals of subsidiaries, associates and joint ventures. Saved as disclosed in this Annual Results Announcement, we have no specific plan for major investment or acquisition for major capital assets or other businesses. However, we will continue to identify new opportunities for business development.

Significant Investments Held

As of December 31, 2024, we were interested in 4,500,000 (17.0%) of the ordinary shares in Fushi Technology, our associate company, and held 7,272,780 (27.4%) of preferred shares of Fushi Technology, which was classified as financial assets at fair value through profit or loss. The carrying amount of our investment in Fushi Technology's ordinary shares and the fair value of the preferred shares amounted to approximately RMB834,957,000 (as of December 31, 2023: RMB731,898,000), which accounted for approximately 10.8% of our total assets as of December 31, 2024. The investment costs for our investment in the preferred shares of Fushi Technology was approximately RMB351,600,000. Net unrealized fair value gains of approximately RMB103,059,000 was recognized by us for the year ended December 31, 2024 in respect of our investment in the preferred shares of Fushi Technology. No dividend has been received from Fushi Technology for the year ended December 31, 2024.

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

Performance Guarantees in relation to the Acquisition of Chuangxinzhong

References are made to the Company's announcements dated November 9, 2020 and November 30, 2020 (the "**First Acquisition**"), and announcements dated December 24, 2020, December 28, 2020 and April 26, 2021 (the "**Second Acquisition**") in relation to the acquisition of 85% of interest in Beijing Chuangxinzhong Technology Co., Ltd. ("**Chuangxinzhong**") (together, the "**Chuangxinzhong Announcements**"). Unless otherwise defined, capitalized terms used in this section shall have the same meanings as those set out in the Announcements.

In August 2024, the Group received the financial statements of Chuangxinzhong for the Third Performance Undertaking Period (i.e., December 1, 2022 to November 30, 2023), pursuant to which the actual net profit of Chuangxinzhong for the Third Performance Undertaking Period was approximately RMB60,522,230. Accordingly, the Guaranteed Profit for the Third Performance Undertaking Period (i.e., RMB62 million) had not been fulfilled. As agreed between the parties, the fourth instalment of the First Acquisition shall be further adjusted to RMB26,315,901 from RMB28,220,000, a downward adjustment of RMB1,904,099. The Board is of the view that the Vendors have fulfilled their obligations under the profit guarantees after the Downward Adjustment. Please refer to the interim results announcement for the six months ended June 30, 2024 dated August 27, 2024 for details of the performance guarantees and the corresponding consideration adjustments.

Significant Events After the Reporting Period

Reference is made to the announcement of the Company dated January 6, 2025 and January 13, 2025 (the “**Placing Announcements**”). Unless otherwise defined, capitalized terms used in this section shall have the same meanings as those set out in the Placing Announcements. On January 6, 2025, the Company, the Top-up Vendor and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which, (i) the Top-up Vendor agreed to sell, and the Placing Agent agreed, as agent of the Top-up Vendor, to procure, on a best effort basis to purchase up to 19,150,000 Placing Shares held by the Top-up Vendor at a price of HK\$10.10 per Placing Share; and (ii) the Top-up Vendor conditionally agreed to subscribe as principal for, and the Company conditionally agreed to issue, 19,150,000 Subscription Shares at the Subscription Price, which is equivalent to the Placing Price. The Vendor Placing and the Subscription were completed on January 9, 2025 and January 13, 2025 respectively. A total of 19,150,000 Subscription Shares (equal to the number of the Placing Shares successfully placed under the Vendor Placing) were subscribed by the Top-up Vendor at the Subscription Price of HK\$10.10 per Subscription Share. The Subscription Shares represent approximately 4.14% of the issued share capital of the Company as enlarged by the Subscription. The net proceeds from the Subscription are estimated to be approximately HK\$189.2 million, net of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses.

Save as disclosed above, there were no material events subsequent to December 31, 2024 which could have a material impact on our operating and financial performance as of the date of this announcement.

Final Dividend

The Board did not recommend the payment of a final dividend for the year ended December 31, 2024 (2023: Nil).

Annual General Meeting

The annual general meeting of the Company (the “**AGM**”) will be held on Thursday, June 5, 2025. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in due course.

Closure of Register of Members

For the purpose of ascertaining the members' eligibility to attend and vote at the AGM, the Company's register of members will be closed from Monday, June 2, 2025 to Thursday, June 5, 2025, both dates inclusive, during which period no transfer of share will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, May 30, 2025.

Company Information

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

Employees

As of December 31, 2024, we had a total of 871 employees, a majority of them were based in China. Please refer to note 7 to the consolidated financial statements for our employee benefit expenses.

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

RSU SCHEME

A restricted share unit ("RSU") scheme (the "RSU Scheme") was adopted by the Company on August 1, 2019. The RSU Scheme will be valid and effective for a period of ten years, commencing from the date of the first grant of the RSUs, being August 1, 2019. Further details of the RSU Scheme are set out in "Statutory and General Information – D. Share Incentive Schemes – 2. RSU Scheme" in Appendix IV of the prospectus of the Company dated May 20, 2020 and the annual report of the Company.

The RSU Scheme was adopted before the new Chapter 17 of the Listing Rules (effective on January 1, 2023) came into effect. Starting from June 5, 2024, being the date of the second annual general meeting after January 1, 2023, the Company would not grant any new Shares under the RSU Scheme and the RSU Scheme shall be entirely funded by existing Shares received from any Shareholder or purchased (either on-market or off-market) by the trustee of the RSU Scheme in accordance with the rules of the RSU Scheme.

The table below sets out the movements in the RSUs during the year from January 1, 2024 to December 31, 2024 granted under the RSU Scheme:

Name of RSU grantee	Date of grant	Granted during the year ⁽¹⁾	Closing price immediately before the date of grant during the year (HKD)	Fair value of RSUs at the date of grant during the year (HKD)	Vesting period	Number of Shares			Exercise price of RSUs vested or cancelled during the year (HKD)	Closing price immediately before the vesting date (HKD)		
						As at January 1, 2024	Vested during the year	Cancelled during the year			Lapsed during the year	As at December 31, 2024
Director of the Company Luo Xiaohui	January 21, 2022	-	-	-	January 24, 2023 – January 24, 2026	60,000	20,000	-	-	40,000	0.01	13.68
	March 28, 2023	-	-	-	March 28, 2024 – March 28, 2027 ⁽³⁾	100,000	25,000	-	-	75,000	0.01	12.18
	June 5, 2024	200,000	10.38	10.29	June 5, 2025 – June 5, 2028 ⁽³⁾	-	-	-	-	200,000	0.01	-
Yao Zhirjian	January 21, 2022	-	-	-	January 24, 2023 – January 24, 2026	90,000	30,000	-	-	60,000	0.01	13.68
	March 28, 2023	-	-	-	March 28, 2024 – March 28, 2027 ⁽³⁾	200,000	50,000	-	-	150,000	0.01	12.18
	June 5, 2024	200,000	10.38	10.29	June 5, 2025 – June 5, 2028 ⁽³⁾	-	-	-	-	200,000	0.01	-
Liang Shengtian ⁽⁴⁾	March 28, 2023	-	-	-	March 28, 2024 – March 28, 2027 ⁽³⁾	38,000	9,500	-	-	28,500	0.01	12.18
	June 5, 2024	95,000	10.38	10.29	June 5, 2025 – June 5, 2028 ⁽³⁾	-	-	-	-	95,000	0.01	-

Name of RSU grantee	Date of grant	Granted during the year ⁽¹⁾	Closing price immediately before the date of grant during the year (HKD)	Fair value of RSUs at the date of grant during the year (HKD)	Vesting period	Number of Shares			Exercise price of RSUs vested or cancelled during the year (HKD)	Closing price immediately before the vesting date (HKD)		
						As at January 1, 2024	Vested during the year	Cancelled during the year			Lapsed during the year	As at December 31, 2024
Other employee of the Group												
6 other employees of the Group	January 7, 2021	-	-	-	July 7, 2022 – July 7, 2025	70,000	-	-	-	70,000	16.64	-
63 other employees of the Group	January 21, 2022	-	-	-	January 24, 2023 – January 24, 2026	612,840	204,280	-	3,400	405,160	0.01	13.68
161 other employees of the Group	March 28, 2023	-	-	-	May 8, 2023 – March 28, 2027 ⁽³⁾	6,283,933	1,933,145	-	46,500	4,304,288	0.01	12.18
241 other employees of the Group	June 5, 2024	7,250,914	10.38	10.29	June 5, 2024 – June 5, 2028 ⁽³⁾	-	1,793,492	-	405,240	5,052,182	0.01	-
Total		7,745,914				7,454,773	4,065,417	-	455,140	10,680,130		

Note:

- (1) Further details of the grants were set out in the Company's announcement dated June 5, 2024. The RSU Trustee will transfer the existing Shares purchased by the RSU Trustee directly to the RSU grantees and no new Shares will be issued as a result of the grant of RSUs.
- (2) The exercise period of the RSUs is 15 years from their respective dates of grant.
- (3) Particulars of the performance targets: upon each vesting date, the portion of the RSUs that vests shall depend on the RSU grantee meeting a specified threshold in their performance evaluations during the one-year period prior to each vesting date. With respect to each RSU grantee, upon each vesting date, the portion of the RSUs that vests shall depend on the RSU grantee meeting a specified threshold in their regular performance evaluations during the one-year period prior to each vesting date. The performance evaluations are based on a matrix of indicators that vary according to the roles and responsibilities of the RSU grantee. The indicators include, but are not limited to, work quality, efficiency, collaboration and management skills.
- (4) Ms. Liang Shengtian was appointed as an executive Director with effect from June 5, 2024.
- (5) On August 27, 2024, the Company granted a bonus award to certain employees that entitles them to receive a number of shares to be approved by the Board, subject to a 27 months vesting period and the fulfilment of certain performance target. None of the award is vested/cancelled/lapsed during the year. For details, please refer to note 23(b) to the consolidated financial statements.

The maximum number of RSUs that may be granted under the RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the RSU Scheme) shall be such number of Shares held or to be held by the trustee for the purpose of the RSU Scheme from time to time. As of January 1, 2024 and December 31, 2024, the total number of Shares held by the trustee for the purpose of RSU Scheme were 76,396,682 and 77,598,548, respectively, representing 17.1% and 17.5% of the Shares in issue as of the relevant dates, respectively. The trustee of the RSU Scheme will transfer the Shares directly to the grantees and no new Shares will be issued as a result of the grant of RSUs.

On June 5, 2024, the Company granted a total of 7,745,914 RSUs pursuant to the RSU Scheme to a total of 244 RSU grantees. The RSUs granted represent 7,745,914 underlying Shares and approximately 1.7% of the issued share capital of the Company as at December 31, 2024. For further details, please refer to the Company's announcement dated June 5, 2024.

Save as disclosed above, for the year ended December 31, 2024 and up to the date of this announcement, no further RSUs have been or would be granted by the Company pursuant to the RSU Scheme.

Details of movements in the RSUs and the fair value of RSUs granted are set out in note 23(b) to the consolidated financial statements.

SHARE OPTION SCHEME

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

The table below sets out the movements of the share options of our Company during the year from January 1, 2024 to December 31, 2024 granted under the Share Option Scheme:

Name of grantee	Outstanding as at January 1, 2024	Granted during the year	Date of grant ⁽⁴⁾	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at December 31, 2024	Exercise price (HKD) per Share	Closing price of Shares immediately before the exercise date	Fair value (HKD) of share options at the date of grant during the year	Vesting period ⁽⁴⁾	Exercise period
Director of the Company												
Yao Zhiqian	300,000	-	January 7, 2021	-	-	-	300,000	44.20 ⁽¹⁾	-	-	July 1, 2021 – July 1, 2024	January 7, 2021 – January 6, 2031
Luo Xiaohui	100,000	-	January 7, 2021	-	-	-	100,000	44.20 ⁽¹⁾	-	-	July 1, 2021 – July 1, 2024	January 7, 2021 – January 6, 2031
Liang Shengtian ⁽⁵⁾	50,000	-	May 12, 2021	-	-	-	50,000	58.60 ⁽²⁾	-	-	May 12, 2022 – May 12, 2025	May 12, 2021 – May 11, 2031
	40,000	-	January 21, 2022	-	-	-	40,000	25.56 ⁽³⁾	-	-	January 24, 2023 – January 24, 2026	January 21, 2022 – January 21, 2032
Employee of the Group												
119 employees of the Group	2,867,250	-	January 7, 2021	-	6,250	-	2,861,000	44.20 ⁽¹⁾	-	-	July 1, 2021 – July 1, 2024	January 7, 2021 – January 6, 2031
68 employees of the Group	1,092,500	-	May 12, 2021	-	5,500	-	1,087,000	58.60 ⁽²⁾	-	-	May 12, 2022 – May 12, 2025	May 12, 2021 – May 11, 2031
210 employees of the Group	847,500	-	January 21, 2022	-	28,250	-	819,250	25.56 ⁽³⁾	-	-	January 24, 2023 – January 24, 2026	January 21, 2022 – January 21, 2032
Total	5,297,250	-		-	40,000	-	5,257,250					

Note:

- (1) Being the highest of (i) HKD44.20 per Share, the closing price of the Shares on the date of grant as stated in the daily quotation sheet issued by the Stock Exchange, (ii) HKD39.45 per Share, the average closing price of the Shares for the five business days immediately preceding the date on which the options were granted, and (iii) US\$0.000025 per Share, the nominal value. The closing price of the Shares immediately before the date on which the options were granted was HKD43.55.
- (2) Being the highest of (i) HKD52.75 per Share, the closing price of the Shares on the date of grant as stated in the daily quotation sheet issued by the Stock Exchange, (ii) HKD58.60 per Share, the closing price of the Shares for the five business days immediately preceding the date on which the options were granted, and (iii) US\$0.000025 per Share, the nominal value. The closing price of the Shares immediately before the date on which the options were granted was HKD53.60.
- (3) Being the highest of (i) HKD24.70 per Share, the closing price of the Shares on the date of grant as stated in the daily quotation sheet issued by the Stock Exchange; (ii) HKD25.56 per Share, the average closing price of the Shares for the five business days immediately preceding the date on which the options were granted; and (iii) the nominal value of US\$0.000025 per Share. The closing price of the Shares immediately before the date on which the options were granted was HKD25.10.
- (4) Further details of the grants were set out in the Company's announcements dated January 7, 2021, May 12, 2021 and January 24, 2022.
- (5) Ms. Liang Shengtian was appointed as an executive Director with effect from June 5, 2024.

As of December 31, 2024, the number of Shares in respect of which options had been granted and but not yet exercised under the Share Option Scheme was 5,257,250, representing 1.2% of the Shares in issue as of that date. As at January 1, 2024 and December 31, 2024, the total number of Shares available for issue in respect of the options that can be further granted under the Share Option Scheme was 37,323,257 and 37,363,257, respectively, representing 8.4% and 8.4% of the total number of Shares in issue as of the relevant dates, respectively. The total number of Shares available for issue under the Share Option Scheme was 42,620,507 Shares, representing 9.2% of the total number of issued Shares as of the date of this announcement.

For the year ended December 31, 2024 and up to the date of this announcement, no further options have been or would be granted by the Company pursuant to the Share Option Scheme.

Details of movements in the share options and the fair value of share options granted are set out in note 23(a) to the consolidated financial statements.

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

Disclosure under Rule 17.07(3) of the Listing Rules

As all awards granted will be satisfied by existing Shares and no options were granted during the year ended December 31, 2024, no new Shares may be issued in respect of options and awards granted under all schemes of the Company during the year ended December 31, 2024.

USE OF PROCEEDS FROM CONVERTIBLE BONDS

Reference is made to the Company's announcements dated July 4, 2022, July 5, 2022 and July 13, 2022. In July 2022, the Company issued US\$70 million 6.25% convertible bonds due 2027. The Group successfully raised total net proceeds (after deducting all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses) of approximately USD68.1 million (equivalent to HKD533.3 million) through the issuance of the convertible bonds. The Convertible Bonds were subsequently fully redeemed and cancelled on July 15, 2024. For details of the redemption of the Convertible Bonds, please refer to the Company's announcement dated June 14, 2024 and July 15, 2024. The following table sets forth the status of the use of net proceeds from the convertible bonds up to December 31, 2024:

Intended use of proceeds	Percentage of intended use of proceeds (%)	Intended use of proceeds from the issuance of Convertible Bonds ⁽¹⁾ (In HKD millions)	Unutilized net proceeds as of December 31, 2023 ⁽¹⁾ (In HKD millions)	Actual usage during the year ended December 31, 2024 ⁽¹⁾ (in HKD millions)	Unutilized net proceeds as of December 31, 2024 ⁽¹⁾⁽²⁾ (In HKD millions)	Expected timeline for utilizing the remaining net proceeds ⁽²⁾
Expansion of the Group's overseas business, including cross-border e-commerce foreign exchange/RMB collection and payment business, acquiring and mobile payment business, software as a service (SaaS) digital solution and in-store e-commerce services and for new business opportunities to accelerate the Group's development in upstream and downstream industries	80.0	426.6	296.2	40.7	-	-
Strengthen the Group's competitiveness in the PRC such as product research and development, marketing and promotion and recruitment to further establish and reinforce the commercial digitalized ecosystem of the Group	20.0	106.7	72.6	17.3	-	-
Total	100.0	533.3	368.8	58.0	-	-

Note:

- (1) The figures in the table are approximate figures.
- (2) The Convertible Bonds were fully redeemed and cancelled on July 15, 2024 at the option of the bondholders and, as a result, all the unutilized net proceeds were used up as of December 31, 2024 because of the early redemption. For details, see "Other Information – Purchase, Sale or Redemption of Listed Securities" below.

ROUNDING

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2024	2023
		RMB'000	RMB'000
Revenue	4	3,086,742	3,950,585
<i>Including: interest revenue</i>	4	168,940	130,805
Cost of revenue	7	(2,357,978)	(3,212,421)
Gross profit		728,764	738,164
Selling expenses	7	(111,208)	(124,971)
Administrative expenses	7	(302,131)	(338,833)
Research and development expenses	7	(237,570)	(265,572)
Net impairment losses on financial assets	3.1(b)	(88,183)	(57,843)
Other income	5	25,191	56,256
Fair value changes of financial assets and financial liabilities at fair value through profit or loss – net	12, 21	81,051	144,563
Other gains/(losses) – net	6	19,587	(26,750)
Operating profit		115,501	125,014
Finance costs		(61,584)	(89,937)
Share of profits of investments accounted for using the equity method	10	29,530	357
Profit before income tax		83,447	35,434
Income tax expense	8	(10,433)	(25,321)
Profit for the year		73,014	10,113
Attributable to:			
Equity holders of the Company		82,452	11,627
Non-controlling interests		(9,438)	(1,514)
		73,014	10,113

		Year ended 31 December	
	<i>Note</i>	2024	2023
		RMB'000	RMB'000
Other comprehensive income/(loss):			
Items that will not be subsequently reclassified to profit or loss:			
Currency translation differences		22,302	9,590
Items that may be subsequently reclassified to profit or loss:			
Share of other comprehensive income/(loss) of investments accounted for using the equity method		555	(40)
Currency translation differences		(29,492)	(6,298)
		(28,937)	(6,338)
Other comprehensive (loss)/income for the year, net of tax		(6,635)	3,252
Total comprehensive income for the year		66,379	13,365
Attributable to:			
Equity holders of the Company		75,817	14,879
Non-controlling interests		(9,438)	(1,514)
		66,379	13,365
Earnings per share attributable to equity holders of the Company (expressed in RMB per share)			
– Basic	9	0.22	0.03
– Diluted	9	0.22	0.03

The notes on pages 34 to 58 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Note	2024	2023
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		47,155	66,539
Intangible assets	11	479,506	478,865
Investments accounted for using the equity method	10	167,953	134,721
Prepayments and other receivables	14(a)	45,876	42,362
Financial assets at fair value through profit or loss	12	913,734	827,342
Long-term bank deposits		–	80,996
Deferred tax assets		57,123	57,853
Other non-current assets		102,132	185,199
		<u>1,813,479</u>	<u>1,873,877</u>
Current assets			
Inventories		1,551	2,433
Loan receivables	15	658,127	882,332
Trade receivables	13	380,966	355,059
Prepayments and other receivables	14(b)	2,524,369	2,292,171
Financial assets at fair value through profit or loss	12	4,522	13,594
Restricted cash		1,714,296	2,097,246
Cash and cash equivalents		595,719	887,909
Other current assets		12,447	15,740
		<u>5,891,997</u>	<u>6,546,484</u>
Total assets		<u>7,705,476</u>	<u>8,420,361</u>
EQUITY			
Share capital and share premium	16	3,106,814	3,094,193
Reserves		(1,446,245)	(1,310,601)
Retained earnings		1,004,669	924,284
Equity attributable to equity holders of the Company		<u>2,665,238</u>	<u>2,707,876</u>
Non-controlling interests		<u>(75,735)</u>	<u>(90,475)</u>
Total equity		<u>2,589,503</u>	<u>2,617,401</u>

		As at 31 December	
	<i>Note</i>	2024	2023
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		16,767	28,896
Deferred tax liabilities		83,249	78,264
Convertible bonds	<i>22</i>	–	405,539
Bank and other borrowings	<i>20</i>	3,000	–
		103,016	512,699
Current liabilities			
Trade and other payables	<i>19</i>	3,922,776	4,321,666
Contract liabilities	<i>18</i>	23,393	26,073
Current tax liabilities		118,630	115,059
Lease liabilities		19,165	22,521
Bank and other borrowings	<i>20</i>	928,993	780,062
Financial liabilities at fair value through profit or loss	<i>21</i>	–	24,880
		5,012,957	5,290,261
Total liabilities		5,115,973	5,802,960
Total equity and liabilities		7,705,476	8,420,361

The notes on pages 34 to 58 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Reserves								
	Share capital and share premium <i>RMB'000</i>	Treasury shares <i>RMB'000</i>	Conversion option reserve <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 1 January 2024	3,094,193	(1,282,364)	97,861	(126,098)	(1,310,601)	924,284	2,707,876	(90,475)	2,617,401
Profit for the year	-	-	-	-	-	82,452	82,452	(9,438)	73,014
Other comprehensive loss	-	-	-	(6,635)	(6,635)	-	(6,635)	-	(6,635)
Total comprehensive income	-	-	-	(6,635)	(6,635)	82,452	75,817	(9,438)	66,379
Transactions with equity holders									
Buy-back of shares for the purpose of cancellation	(41,285)	41,285	-	-	41,285	-	-	-	-
Buy-back of shares for the purpose of share award schemes	-	(47,343)	-	-	(47,343)	-	(47,343)	-	(47,343)
Acquisition of additional equity interests in non-wholly owned subsidiaries	-	-	-	(69,798)	(69,798)	-	(69,798)	40,431	(29,367)
Repurchase and redemption of convertible bonds	-	-	(97,861)	-	(97,861)	-	(97,861)	-	(97,861)
Share award schemes:									
– value of employee services	-	-	-	102,759	102,759	-	102,759	-	102,759
– transfer shares to awardees upon vesting	53,906	1	-	(64,519)	(64,518)	-	(10,612)	-	(10,612)
Share option schemes:									
– value of employee services	-	-	-	4,400	4,400	-	4,400	-	4,400
Profit appropriations to statutory reserves	-	-	-	2,337	2,337	(2,337)	-	-	-
Profit appropriations to risk reserves	-	-	-	(270)	(270)	270	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(16,253)	(16,253)
Balance at 31 December 2024	12,621	(6,057)	(97,861)	(25,091)	(129,009)	(2,067)	(118,455)	24,178	(94,277)
	3,106,814	(1,288,421)	-	(157,824)	(1,446,245)	1,004,669	2,665,238	(75,735)	2,589,503

Attributable to equity holders of the Company

Reserves

Note	Share capital and share premium RMB'000	Treasury shares RMB'000	Conversion option reserve			Other reserves RMB'000	Sub-total RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
			Conversion option reserve	option reserve	Reserves						
Balance at 1 January 2023	3,069,939	(1,147,025)	97,861	(167,246)	(1,216,410)	916,806	2,770,335	(89,068)	2,681,267		
Profit for the year	-	-	-	-	-	11,627	11,627	(1,514)	10,113		
Other comprehensive income	-	-	-	3,252	3,252	-	3,252	-	3,252		
Total comprehensive income	-	-	-	3,252	3,252	11,627	14,879	(1,514)	13,365		
Transactions with equity holders											
Buy-back of shares for the purpose of cancellation	(10,143)	(31,535)	-	-	(31,535)	-	(41,678)	-	(41,678)		
Buy-back of shares for the purpose of share award schemes	-	(103,804)	-	-	(103,804)	-	(103,804)	-	(103,804)		
Acquisition of subsidiaries	-	-	-	-	-	-	-	107	107		
Share award schemes:											
- value of employee services	-	-	-	77,653	77,653	-	77,653	-	77,653		
- transfer shares to awardees upon vesting	34,397	-	-	(46,182)	(46,182)	-	(11,785)	-	(11,785)		
Share option schemes:											
- value of employee services	-	-	-	2,276	2,276	-	2,276	-	2,276		
Profit appropriations to statutory reserves	-	-	-	4,091	4,091	(4,091)	-	-	-		
Profit appropriations to risk reserves	-	-	-	58	58	(58)	-	-	-		
Balance at 31 December 2023	3,094,193	(1,282,364)	97,861	(126,098)	(1,310,601)	924,284	2,707,876	(90,475)	2,617,401		

The notes on pages 34 to 58 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

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

Mr. Liu Yingqi (“**Mr. Liu**”), is the ultimate controlling shareholder of the Company.

The consolidated financial statements for the year ended 31 December 2024 are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated. These consolidated financial statements for the year ended 31 December 2024 have been approved for issue by the board of directors (the “**Board**”) of the Company on 27 March 2025.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (“**FVPL**”), which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

(a) Amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2024:

- Amendments to IAS 1 – Non-current liabilities with covenants
- Amendments to IFRS 16 – Lease Liability in Sale and Leaseback
- Amendment to IAS 7 and IFRS 7 – Supplier Finance Arrangements

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards, amendments and interpretations not yet adopted

Standards and amendments that have been issued but not yet effective at 1 January 2024 and not been early adopted by the Group during the year are as follows:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Annual improvements to IFRS	Volume 11	1 January 2026
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Market risk

(1) Foreign exchange risk

Foreign exchange risk arises from recognized assets and liabilities in currency other than the Group entities' respective functional currency and net investments in foreign operations.

The Group operates mainly in the PRC with most of the transactions settled in RMB, management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group that are denominated in the currencies other than the respective functional currencies of the Group's entities. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the years ended 31 December 2024 and 2023.

(2) Cash flow interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. The Group currently has not entered into any interest rate swap contract and will only consider for hedging of significant interest rate risk.

As at 31 December 2024, bank borrowings of the Group which were bearing at floating rates amounted to approximately RMB125,990,000 (2023: RMB171,000,000). As at 31 December 2024, if interest rates on borrowings at floating rates had been 100 basis points higher or lower with all other variables held constant, interest charges for the year ended 31 December 2024 would increase/decrease by approximately RMB1,259,900 (2023: RMB1,710,000).

(b) Credit risk

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

(1) Risk management

To manage risk arising from cash and cash equivalents and restricted cash, the Group places deposits in state-owned financial institutions in the PRC or reputable banks, financial institutions having high-credit-quality in the PRC and Cayman Islands.

To manage risk arising from trade receivables and other receivables, the Group has policies in place to ensure that sale of services is made to customers with an appropriate credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

To manage risk arising from loan receivables, standardised credit management procedures are performed. The Group conducts holistic assessment on credit worthiness of loan applicants, which consist of automatic preliminary assessment, screening, and manual assessment. The management makes periodic collective assessments as well as individual assessment on the recoverability of loan receivables based on historical settlement records and past experiences incorporating forward-looking information.

The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, loan receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

As at 31 December 2024, the maximum exposure arising from the provision of financial guarantee to certain loan facilitation parties amounted to approximately RMB888,487,000 (31 December 2023: RMB551,723,000), being the principals and interests of the underlying loans which were granted by the Group's loan facilitation partners with terms ranging from 3 to 12 months.

(2) *Impairment of financial assets*

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

	As at 31 December 2024			As at 31 December 2023		
	Gross	Loss	Carrying	Gross	Loss	Carrying
	carrying amount <i>RMB'000</i>	allowance <i>RMB'000</i>	amount <i>RMB'000</i>	carrying amount <i>RMB'000</i>	allowance <i>RMB'000</i>	amount <i>RMB'000</i>
Financial assets at amortised cost (IFRS 9)						
Cash and cash equivalents (i)	595,719	–	595,719	887,909	–	887,909
Restricted cash (i)	1,714,296	–	1,714,296	2,097,246	–	2,097,246
Trade receivables (ii)	400,421	(19,455)	380,966	376,012	(20,953)	355,059
Loan receivables (iii)						
– Stage 1	663,896	(6,575)	657,321	899,129	(22,065)	877,064
– Stage 2	3,961	(3,401)	560	13,754	(9,790)	3,964
– Stage 3	10,078	(9,832)	246	13,216	(11,912)	1,304
Other receivables (iii)						
– Stage 1	2,529,797	(7,804)	2,521,993	2,290,060	(7,965)	2,282,095
– Stage 3	29,595	(29,595)	–	35,754	(35,754)	–

(i) Cash and cash equivalent and restricted cash

While the Group's cash and cash equivalent and restricted cash are subject to the impairment requirement of IFRS 9, the identified impairment loss was immaterial.

(ii) Trade receivables

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

31 December 2024	Current	Less than	More than	Total		
		90 days past due	270 days past due			
Expected loss rate	0.77%	14.36%	100.00%	4.86%		
Gross carrying amount (RMB'000)	383,070	968	16,383	400,421		
Loss allowance (RMB'000)	2,933	139	16,383	19,455		
31 December 2023	Current	Less than 90 days past due	90-180 days past due	180-270 days past due	More than 270 days past due	Total
Expected loss rate	0.68%	9.32%	19.51%	27.87%	100.00%	5.57%
Gross carrying amount (RMB'000)	348,177	9,684	492	122	17,537	376,012
Loss allowance (RMB'000)	2,383	903	96	34	17,537	20,953

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

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	20,953	29,531
Reversal for expected credit loss	<u>(1,498)</u>	<u>(8,578)</u>
At the end of the year	<u>19,455</u>	<u>20,953</u>

(iii) Other receivables and loan receivables

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

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	43,767	14,836
Provision for expected credit loss	89,144	61,056
Write-off	<u>(113,103)</u>	<u>(32,125)</u>
At the end of the year	<u>19,808</u>	<u>43,767</u>

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

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	43,719	38,349
Provision for expected credit loss	537	5,365
Write off of bad debts	(6,865)	–
Currency translation difference	<u>8</u>	<u>5</u>
At the end of the year	<u>37,399</u>	<u>43,719</u>

3.2 Fair value estimation

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

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

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2024.

	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
Assets				
Financial assets at FVPL	4,522	–	913,734	918,256
Liabilities				
Contingent consideration and others	–	–	–	–

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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

During the years ended 31 December 2024 and 2023, there was no transfer between level 1 and 2 for recurring fair value measurements. The significant methods used to determine the fair value and the fair value changes in level 3 financial instruments are presented in Note 12 and 21.

Valuation processes of the Group (Level 3)

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

At each financial year end the finance department:

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

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

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

The following table presents the changes in level 3 item for the years ended 31 December 2024 and 2023.

	Unlisted equity securities <i>RMB'000</i>
Opening balance 1 January 2023	634,171
Acquisitions	10,000
Disposals	(2,205)
Changes in fair value	185,144
Currency translation differences	232
Closing balances 31 December 2023	827,342
Opening balance 1 January 2024	827,342
Acquisitions	7,254
Disposals	(10,579)
Changes in fair value	89,603
Currency translation differences	114
Closing balances 31 December 2024	913,734

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair value		Significant unobservable input	Range of input		Relationship between unobservable input and fair values
	As at 31 December 2024	2023		As at 31 December 2024	2023	
	<i>RMB'000</i>	<i>RMB'000</i>				
Non-current financial assets at FVPL	913,734	827,342	Discounts for lack of marketability (“DLOM”)	25.00%-35.00%	25.00%-30.00%	the higher the DLOM, the lower the fair value
			Enterprise value to sales (“EV/Sales”) multiple	2.09-2.40	1.90-6.80	the higher the EV/Sales multiple, the higher the fair value
			Price to sales (“P/S”) multiple	8.00	14.40	the higher the P/S multiple, the higher the fair value
			Revenue growth rate	4.0%-52.6%	8.0%-66.9%	the higher the revenue growth rate, the higher the fair value
			Growth profit margin	9.1%-93.8%	24.8%-60.0%	the higher the growth profit margin, the higher the fair value
			Terminal growth rate	2.0%-2.5%	2.5%	the higher the terminal growth rate, the higher the fair value
			Pre-tax discount rate	17.0%-20.0%	19.5%-20.4%	the higher the discount rate, the lower the fair value

4 REVENUE

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
One-stop payment services	2,685,898	3,484,960
Merchant solutions services	339,646	362,951
In-store e-commerce services	61,198	102,674
	<u>3,086,742</u>	<u>3,950,585</u>

For the years ended 31 December 2024 and 2023, interest revenue from entrusted loans and small-sized retail loans amounting to approximately RMB168,940,000 and RMB130,805,000, respectively, are included in revenue derived from merchant solutions services.

Except for interest income which is recognized over time, revenues of the Group are recognized at a point in time according to the related provisions prescribed under IFRS 15.

During the year, the Group paid approximately RMB86 million in aggregate in relation to interchange fee rate adjustments to a suspense account of the payment networks as requested by the payment networks. Such payments were netted off from the Group's one-stop payment services revenue for the year ended 31 December 2024 in accordance with the Group's accounting policies of revenue recognition and based on the Group's communications with the payment networks.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the years ended 31 December 2024 and 2023.

5 OTHER INCOME

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from bank deposits	20,174	36,781
Government grants	2,319	16,156
Interest income from advance to an associate	1,932	1,152
Others	766	2,167
	<u>25,191</u>	<u>56,256</u>

6 OTHER GAINS/(LOSSES) – NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Gains on repurchase of convertible bonds (<i>Note 22</i>)	26,009	–
Impairment reversal on prepayments (<i>Note 14(b)</i>)	442	358
Gains on disposal of property, plant and equipment	277	452
Gains on disposal of financial assets at FVPL	–	1,671
Net exchange losses	(544)	(767)
Regulatory fines	(840)	(28,104)
Others	(5,757)	(360)
	<u>19,587</u>	<u>(26,750)</u>

7 EXPENSES BY NATURE

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Commissions and online marketing traffic acquisition costs	2,196,946	3,057,862
Employee benefit expenses	440,748	459,323
Outsourcing service fees	66,507	89,891
Advertising and promotion expenses	22,615	15,964
Depreciation of property, plant and equipment	29,575	37,719
Amortization of intangible assets	18,058	18,211
Amortization of other non-current assets	105,620	94,980
Office expenses	19,321	20,807
Rental expenses relating to short-term leases	13,844	13,616
System development, consulting and data validation	13,900	21,080
Raw materials and consumables	7,640	14,829
Professional service fees	15,554	18,092
Travel and transportation	12,827	13,263
Auditor's remuneration	5,370	6,999
– audit services	5,100	6,400
– non-audit services	270	599
Others	40,362	59,161
Total	<u>3,008,887</u>	<u>3,941,797</u>

8 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax	4,718	24,539
Deferred income tax	5,715	782
	<u>10,433</u>	<u>25,321</u>

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended 31 December 2024 and 2023, being the standard income rate in the PRC. The differences are analyzed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit before income tax:	83,447	35,434
Adjusted: share of profits of investment in associates, net	(29,530)	(357)
	<u>53,917</u>	<u>35,077</u>
Tax calculated at tax rate of 25%	13,479	8,769
Tax effects of:		
– Different income tax rates applicable to subsidiaries	3,167	6,311
– Research and development super deduction	(26,516)	(32,416)
– Expenses not deductible for tax purpose	1,121	7,411
– Income not subject to tax	(144)	–
– Tax losses not recognized as deferred tax assets	16,750	35,895
– Remeasurement of deferred tax assets due to changes in tax rate	7,398	1,620
– Adjustments in respect of current income tax of previous years	(4,021)	(2,269)
– Recognition of previously unrecognized in relation to tax losses	(801)	–
	<u>10,433</u>	<u>25,321</u>

9 EARNINGS PER SHARE

(a) Basic earnings per share

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

	Year ended 31 December	
	2024	2023
Profit attributable to equity holders of the Company (in RMB thousands)	82,452	11,627
Weighted average number of ordinary shares in issue (in thousands)	374,509	371,349
	<hr/>	<hr/>
Basic earnings per share (expressed in RMB per share)	0.22	0.03
	<hr/> <hr/>	<hr/> <hr/>

Weighted average number of ordinary shares in issue for the year ended 31 December 2024 has been determined based on the number of shares in issue, excluding shares held for restricted share award schemes (Note 23(b)).

(b) Diluted earnings per share

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

The Group has three categories of potential ordinary shares in the year ended 31 December 2024 which were the convertible bonds as disclosed in Note 22, the share options as disclosed in Note 23(a) and the restricted share units as disclosed in Note 23(b).

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

For the convertible bonds, they are assumed to have been converted into ordinary shares. Interest savings on convertible bonds are adjusted to the extent of the amount charged to the profit attributable to owners of the Company. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the conversion of convertible bonds. For the year ended 31 December 2024, the effect of the convertible bonds was anti-dilutive and therefore not included in the calculation of the diluted earnings per share.

	Year ended 31 December	
	2024	2023
Profit attributable to equity holders of the Company (in RMB thousands)	82,452	11,627
	<hr/>	<hr/>
Weighted average number of ordinary shares in issue (in thousands)	374,509	371,349
Adjustments for unvested restricted share units and share options (in thousands)	2,025	2,381
	<hr/>	<hr/>
Weighted average number of ordinary shares for the calculation of diluted earnings per share (in thousands)	376,534	373,730
	<hr/>	<hr/>
Diluted earnings per share (expressed in RMB per share)	0.22	0.03
	<hr/> <hr/>	<hr/> <hr/>

10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
At the beginning of the year	134,721	131,711
Additions	2,221	1,834
Share of net profit	29,530	357
Share of other comprehensive income/(loss)	555	(40)
Currency translation difference	926	859
	<u>167,953</u>	<u>134,721</u>

11 INTANGIBLE ASSETS

	Goodwill RMB'000	Customer relationship RMB'000	Software RMB'000	Platform RMB'000	Brand name RMB'000	Total RMB'000
At 31 December 2022						
Cost	444,641	77,800	6,200	1,300	38,200	568,141
Accumulated amortization and impairment	(5,524)	(50,599)	(3,078)	(1,300)	(10,953)	(71,454)
Net book amount	<u>439,117</u>	<u>27,201</u>	<u>3,122</u>	<u>-</u>	<u>27,247</u>	<u>496,687</u>
Year ended 31 December 2023						
Opening net book amount	439,117	27,201	3,122	-	27,247	496,687
Additions	-	-	389	-	-	389
Amortization charge	-	(9,600)	(630)	-	(7,981)	(18,211)
Closing net book amount	<u>439,117</u>	<u>17,601</u>	<u>2,881</u>	<u>-</u>	<u>19,266</u>	<u>478,865</u>
At 31 December 2023						
Cost	444,641	77,800	6,589	1,300	38,200	568,530
Accumulated amortization and impairment	(5,524)	(60,199)	(3,708)	(1,300)	(18,934)	(89,665)
Net book amount	<u>439,117</u>	<u>17,601</u>	<u>2,881</u>	<u>-</u>	<u>19,266</u>	<u>478,865</u>
Year ended 31 December 2024						
Opening net book amount	439,117	17,601	2,881	-	19,266	478,865
Additions	17,815	-	884	-	-	18,699
Amortization charge	-	(9,600)	(1,453)	-	(7,005)	(18,058)
Closing net book amount	<u>456,932</u>	<u>8,001</u>	<u>2,312</u>	<u>-</u>	<u>12,261</u>	<u>479,506</u>
At 31 December 2024						
Cost	462,456	77,800	7,473	1,300	38,200	587,229
Accumulated amortization and impairment	(5,524)	(69,799)	(5,161)	(1,300)	(25,939)	(107,723)
Net book amount	<u>456,932</u>	<u>8,001</u>	<u>2,312</u>	<u>-</u>	<u>12,261</u>	<u>479,506</u>

12 FINANCIAL ASSETS AT FVPL

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Current assets		
Investment in listed entities (a)	4,522	13,594
Non-current assets		
Investment in unlisted entities (b)	913,734	817,338
Contingent assets	–	10,004
	913,734	827,342
	918,256	840,936

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	840,936	648,556
Additions	7,254	45,864
Disposal	(11,610)	(17,277)
Changes in fair value through profit or loss	81,445	163,850
Currency translation differences	231	(57)
At the end of the year	918,256	840,936

- (a) The balance represented the Group's investments in equity interests of several listed companies on the Hong Kong Main Board of The Stock Exchange of Hong Kong Limited and the New York Stock Exchange, USA.
- (b) The balance primarily comprised the Group's investments in preferred shares and financial instrument related to Fushi Technology (Shenzhen) Co., Ltd. ("Fushi") amounting to approximately RMB834,957,000 as at 31 December 2024 (31 December 2023: RMB731,898,000).

13 TRADE RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables	400,421	376,012
Less: Allowance for expected credit loss (Note 3.1(b))	(19,455)	(20,953)
	380,966	355,059

The carrying amounts of the trade receivables balances approximated their fair value as at 31 December 2024 and 2023. All the trade receivables balances were denominated in RMB.

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables. Information about the impairment of trade receivables and the Group's exposure to credit risk has been disclosed in Note 3.1(b).

As at 31 December 2024, RMB15,000,000 of trade receivables were pledged for certain bank borrowings of the Group (Note 20).

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

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 3 months	383,070	348,177
3 to 6 months	968	9,684
6 to 12 months	–	614
Over 1 year	16,383	17,537
	400,421	376,012

14 PREPAYMENTS AND OTHER RECEIVABLES

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

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments for:		
Construction of office building	42,766	37,930
Payment terminals	139	–
Others	–	1,000
Sub-total	42,905	38,930
Other receivables		
Deposits	4,711	4,696
Less: allowance for impairment of other receivables (<i>Note 3.1(b)</i>)	(1,740)	(1,264)
Sub-total	2,971	3,432
	45,876	42,362

(b) Prepayments and other receivables in current assets

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Prepayments		
Prepayments for SaaS terminals	1,300	1,152
Prepayments to media publishers and advertising agents	1,392	4,156
Others	6,308	12,295
Less: allowance for impairment of prepayments	(3,653)	(4,095)
	<hr/>	<hr/>
Sub-total	5,347	13,508
	<hr/>	<hr/>
Other receivables		
Receivables from payment networks (i)	1,997,372	1,795,303
Amounts due from related parties	337,641	318,312
Amounts due from business partners (ii)	19,400	26,361
Deposits placed with financial institutions	1,947	33,663
Deposits on lease and others	80,569	45,763
Payment network deposits	2,457	1,040
Others	115,295	100,676
Less: allowance for impairment of other receivables (Note 3.1(b))	(35,659)	(42,455)
	<hr/>	<hr/>
Sub-total	2,519,022	2,278,663
	<hr/>	<hr/>
	2,524,369	2,292,171
	<hr/> <hr/>	<hr/> <hr/>

- (i) The balance mainly represents funds processed by the Group during the process of providing its one-stop payment services and in-store e-commerce services to merchants, which had been received by the payment networks, and would be then transferred to the respective merchants through the Group in accordance with the terms of agreements entered between the Group and the merchants.
- (ii) The balance mainly represents advance made by the Group and utility fees to be received for the purpose of developing merchants to its business partners, which would be deducted from their commission fee or returned within contractual period.
- (iii) The carrying amounts of the other receivables balances approximated their fair value as at 31 December 2024 and 2023. Prepayments and other receivables balances were mainly denominated in RMB.

15 LOAN RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Loan receivables (i)	677,935	926,099
Less: allowance for impairment of loan receivables (Note 3.1(b))	(19,808)	(43,767)
	<hr/>	<hr/>
	658,127	882,332
	<hr/> <hr/>	<hr/> <hr/>

- (i) The loan receivables mainly comprise micro-credit loans and small-sized loans to various borrowers provided by the Group itself or through various financial institutions. The loans bore interest rate from 5.5% to 36% per annum and with lending periods of less than one year. As at 31 December 2024, approximately RMB627,000,000 (2023: RMB590,000,000) of the loan receivables were either guaranteed or secured.
- (ii) The Group has lent to a large number of borrowers. None of the loan advanced to a single borrower contributed 10% or more of the Group's loan receivables during the years ended 31 December 2024 and 2023.

16 SHARE CAPITAL AND SHARE PREMIUM

Issued:

	Number of shares	Nominal value		Share premium	Total
		<i>In USD'000</i>	<i>In RMB'000 equivalent</i>	<i>In RMB'000</i>	<i>In RMB'000</i>
As at 1 January 2023	446,543,642	11	75	3,069,864	3,069,939
Transfer shares to awardees upon vesting	–	–	–	34,397	34,397
Buy-back of shares for the purpose of cancellation	(550,800)	–	–	(10,143)	(10,143)
As at 31 December 2023	445,992,842	11	75	3,094,118	3,094,193
As at 1 January 2024	445,992,842	11	75	3,094,118	3,094,193
Transfer shares to awardees upon vesting	–	–	–	53,906	53,906
Buy-back of shares for the purpose of cancellation (a)	(2,980,400)	–	(1)	(41,284)	(41,285)
As at 31 December 2024	443,012,442	11	74	3,106,740	3,106,814

Note:

- (a) Among the shares repurchased in 2023, 2,980,400 shares were cancelled in 2024, which resulted in a decrease of share capital and share premium amounted to RMB41,285,000.
- (b) During the year ended 31 December 2024, 4,224,400 shares were repurchased for the purpose of share award schemes at par value of US\$0.000025 per share for a total cash consideration of approximately HKD52,067,000 (equivalent to RMB47,343,000), details are as follows:

Month/Year	Number of shares	Highest price paid per share <i>In HKD</i>	Lowest price paid per share <i>In HKD</i>	Aggregate price paid <i>In HKD</i>
Jan-24	2,170,400	14.76	12.14	29,160,609
Feb-24	527,600	13.52	11.82	6,563,325
Mar-24	105,600	12.64	11.98	1,301,433
Apr-24	522,800	11.74	10.00	5,521,845
May-24	536,000	11.76	10.14	5,859,952
Jun-24	103,600	10.48	10.36	1,085,967
Jul-24	63,600	9.96	9.68	625,804
Aug-24	96,800	10.70	10.48	1,033,424
Sep-24	10,000	9.92	9.92	99,417
Nov-24	10,000	9.90	9.90	99,230
Dec-24	78,000	9.54	9.01	716,009

- (c) As at 31 December 2024 and 2023, 80,628,549 shares and 76,926,283 shares were held by restricted share units' nominees, being Yeah United and Yeah Talent, both of which are controlled and consolidated by the Group as structured entities and the above shares held by them for the purpose of restricted share award schemes are recorded as treasury shares and included in reserves.

17 DIVIDENDS

No dividends have been paid or declared by the Company for year ended 31 December 2024 (2023: nil).

18 CONTRACT LIABILITIES

Contract liabilities represent deferred revenues arising from advertising fees, entry fees received from merchants, platform commission and fair value of unconsumed coupons sold to merchants for reduction against payment processing commissions, which are recognized as revenue based on the accounting policy.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	26,073	31,864
Received from merchants	64,754	95,691
Received from advertising customers	122,417	175,021
Revenue recognized	(189,851)	(276,503)
	<u>23,393</u>	<u>26,073</u>

As at 31 December 2024 and 2023, all performance obligations not yet satisfied by the Group were from contracts with original expected duration of one year or less. Therefore, as permitted by the relevant practical expedient under IFRS 15, the transaction price allocated to these unsatisfied performance obligations was not disclosed.

19 TRADE AND OTHER PAYABLES

Trade and other payables in current liabilities

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables (i)	<u>251,302</u>	<u>274,711</u>
Other payables		
Payables to merchants (ii)	3,267,227	3,645,960
Employee benefit payables	41,508	60,200
Deposits from distribution channels (iii)	71,582	86,849
Other taxes payables	34,643	30,101
Amounts due to related parties	27,207	16,054
Dividends payable	16,253	–
Interest payable on convertible bonds	–	14,602
Provision for regulatory fines	–	27,814
Others	213,054	165,375
	<u>3,671,474</u>	<u>4,046,955</u>
	<u><u>3,922,776</u></u>	<u><u>4,321,666</u></u>

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

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	123,336	158,512
3 to 6 months	16,276	30,520
Over 6 months	111,690	85,679
	<u>251,302</u>	<u>274,711</u>

- (ii) The balance represents funds processed by the Group for merchants, which are required to be settled with merchants upon the respective contractual settlement clearance dates.
- (iii) The amount represents refundable deposits placed by distribution channels with the Group when they signed up the distribution channel agreements with the Group. It would be refunded to the respective distribution channel upon expiration of the agreements.
- (iv) As at 31 December 2024 and 2023, trade and other payables were mainly denominated in RMB and the fair values of these balances approximated their carrying amounts.

20 BANK AND OTHER BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Current		
Bank borrowings		
– unsecured but guaranteed (a)	884,003	723,062
– unsecured and unguaranteed	9,990	–
– secured and guaranteed (a)	15,000	7,000
Borrowing from other non-banking financial institutions		
– unsecured but guaranteed	–	50,000
– secured and guaranteed (b)	20,000	–
	<u>928,993</u>	<u>780,062</u>
Non-current		
Bank borrowings		
– unsecured but guaranteed (c)	3,000	–
	<u>3,000</u>	<u>–</u>

- (a) For the years ended 31 December 2024 and 2023, bank borrowings bore effective interest rate of 3.8% and 4.4% per annum, respectively.

As at 31 December 2024, bank borrowings of RMB451,250,000 of Shenzhen Yeahka was jointly guaranteed by Leshua and the Company.

As at 31 December 2024, bank borrowings of RMB349,700,000 of Leshua was jointly guaranteed by Shenzhen Yeahka and the Company.

As at 31 December 2024, bank borrowings of RMB45,053,000 of Yeahka Limited was guaranteed by Shenzhen Yeahka.

As at 31 December 2024, bank borrowings of RMB23,000,000 of Chuangxinzhong was guaranteed by Qin Lingjin (“**Mr. Qin**”). Bank borrowings of RMB15,000,000 of Chuangxinzhong was secured by pledge of certain trade receivables, and jointly guaranteed by Tianjin Chuangxinzhong and Mr. Qin.

As at 31 December 2024, bank borrowings of RMB10,000,000 of Beijing Chuangxinhe Technology Co., Ltd. was jointly guaranteed by Beijing Zhongguancun Technology Financing Guarantee Co., Ltd. and Mr. Qin. Bank borrowings of RMB5,000,000 of Beijing Chuangxinhe Technology Co., Ltd. was jointly guaranteed by Chuangxinzhong and Mr. Qin.

- (b) As at 31 December 2024, other borrowings of RMB20,000,000 of Feiquan Cloud bore effective interest rate of 4.9% per annum, which was secured by pledge of patent rights and jointly guaranteed by Shenzhen Yeahka, Leshua and the Company.
- (c) As at 31 December 2024, long-term bank borrowings of RMB3,000,000 of Beijing Chuangxinhe Technology Co., Ltd. was jointly guaranteed by Beijing Capital Financing Guarantee Co., Ltd. and Mr. Qin.

21 FINANCIAL LIABILITIES AT FVPL

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Current liabilities		
Contingent consideration (a)	–	24,880
	<u>–</u>	<u>24,880</u>

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	24,880	30,173
Changes in fair value	394	19,287
Settlement of the contingent consideration relating to the acquisition of Chuangxinzhong (b)	(26,316)	(25,624)
Currency translation differences	1,042	1,044
	<u>1,042</u>	<u>1,044</u>
At the end of the year	<u>–</u>	<u>24,880</u>

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

- (b) During the year ended 31 December 2024, the contingent cash consideration relating to the acquisition of Chuangxinzhong was fixed at RMB26,316,000 as a result of the fulfilment of the guaranteed profit target for the year ended 30 November 2023 by the original shareholders of Chuangxinzhong. As at 31 December 2024, RMB21,855,000 of the above fixed contingent consideration was paid to the original shareholders of Chuangxinzhong.

22 CONVERTIBLE BONDS

The Group issued USD70,000,000 convertible bonds at a coupon interest rate of 6.25% per annum on 13 July 2022. The bonds mature in five years from the issue date. The bonds could be converted into the Company's ordinary shares, at the holder's option at any time on or after 23 August 2022 up to the close of business on the 10th day prior to the maturity date (both days inclusive), at HKD23.32 (fixed in USD at USD2.97) per share.

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

During the year ended 31 December 2024, the Company repurchased all initial principle amounts of convertible bonds with the principal amounting to USD70,000,000 (approximately to RMB498,352,000) at a discount price of USD69,527,500 (approximately to RMB494,994,000). The repurchase price was allocated between the liability component and the equity component on the same basis that was used in the original allocation process. Any difference between the consideration payable allocated to liability component and the liability component's carrying amount was recognized in profit or loss.

The convertible bonds recognized are calculated as follows:

	<i>RMB'000</i>
Face value of the convertible bonds on the issue date	470,974
Less: transaction costs	(13,915)
	<hr/>
Net proceeds	457,059
Less: equity component	(97,861)
	<hr/>
Liability component on initial recognition	359,198
	<hr/>
Liability component at 1 January 2023	379,320
Interest accrued at amortization cost	50,581
Coupon interest paid	(30,869)
Currency translation differences	6,507
Liability component at 31 December 2023	405,539
	<hr/>
Liability component at 1 January 2024	405,539
Interest accrued at amortization cost	23,953
Coupon interest paid	(29,097)
Repurchase and redemption	(369,934)
Adjustment of amortized cost of convertible bonds due to repurchase and redemption	(26,009)
Currency translation differences	(4,452)
	<hr/>
Liability component at 31 December 2024	–
	<hr/> <hr/>

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

23 SHARE-BASED PAYMENTS

(a) Share option schemes

In September 2020, the board of the Company proposed to adopt the share option scheme to attract, retain and motivate talented employees to strive towards long term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group. The proposal was approved by the general meeting of the Company in October 2020.

The Company has granted three batches of share options to employees and directors, on 7 January 2021, 12 May 2021 and 21 January 2022, respectively. The granted share options are vested evenly in 4 distributions within a 42-month, 4-year and 4-year period from vesting commencement, respectively.

- (i) Movements in the number of share options granted to employees outstanding and their related weighted average exercise prices are as follows:

	No. of options	Average exercise price per share option (HKD)
Outstanding as at 1 January 2024	4,897,250	44.18
Granted during the period	–	–
Forfeited during the year	<u>(40,000)</u>	<u>33.02</u>
Outstanding as at 31 December 2024	<u>4,857,250</u>	<u>44.27</u>
Vested and exercisable as at 31 December 2024	<u>3,506,000</u>	<u>45.34</u>
Outstanding as at 1 January 2023	5,160,000	47.77
Forfeited during the year	<u>(262,750)</u>	<u>38.81</u>
Outstanding as at 31 December 2023	<u>4,897,250</u>	<u>44.18</u>
Vested and exercisable as at 31 December 2023	<u>3,003,250</u>	<u>45.55</u>

During year ended 31 December 2024 and 2023, all the forfeiture of share options prior to their respective expiry dates were due to the resignation of certain grantees.

The weighted-average remaining life for the above outstanding share options was 6.29 years as at 31 December 2024 (2023: 7.29 years).

- (ii) Movements in the number of share options granted to directors outstanding and their related weighted average exercise prices are as follows:

	No. of options	Average exercise price per share option (HKD)
Outstanding as at 1 January 2024	400,000	44.20
Outstanding as at 31 December 2024	400,000	44.20
Vested and exercisable as at 31 December 2024	400,000	44.20
Outstanding as at 1 January 2023	400,000	44.20
Outstanding as at 31 December 2023	400,000	44.20
Vested and exercisable as at 31 December 2023	300,000	44.20

The weighted-average remaining life for the above outstanding share options was 6.02 years as at 31 December 2024 (2023: 7.02 years).

The share-based compensation expenses recognized during the years ended 31 December 2024 and 2023 are summarised in the following table:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Employee options scheme		
– value of employee services	4,400	2,276

(b) Share award schemes

Under a stock incentive plan approved by the board of directors of the Company (the “**Share Award Plan**”), several batches of share options were granted to certain employees and directors.

In August 2019, the board of directors of the Company passed a resolution, according to which all outstanding options representing 34,109,384 shares of the Company granted under the Share Award Plan were converted into 34,109,384 shares of restricted share unit (“RSU”) granted to the same option holders, who became eligible participants under such scheme. There was no modification of terms or conditions which had increased the fair value of the equity instruments granted and such arrangement was accounted for as the continuance of the original Share Award Plan.

Details of RSUs granted are as follows:

Grant date (yyyy/mm/dd)	Number of RSU after share subdivision	Vesting period	Exercise price	Expiration terms
2018/1/1	3,280,000	To be vested evenly within a 4-year period from vesting commencement	USD1.06	15 years from date of grant
2019/8/1	3,524,000	To be vested evenly with in a 4-year period from vesting commencement	USD1.62	Same as above
2021/1/7	390,000	To be vested evenly with in a 42 months period from vesting commencement	HKD16.64	Same as above
2022/1/21	1,500,000	Note i	HKD0.01	Same as above
2023/3/28	8,151,565	Note ii	HKD0.01	Same as above
2024/6/5	7,745,914	Note iii	HKD0.01	Same as above
2024/8/27	Note iv	To be vested evenly within a 27 months period from vesting commencement	Nil	Same as above

Note i: There are two types of vesting schedules: (1) to be vested evenly in 4 distributions within a 4-year period from vesting commencement; (2) to be vested evenly in 5 distributions within a 4-year period from vesting commencement or two months after the commencement of the employment contract of the respective grantee.

Note ii: There are three types of vesting schedules: (1) to be vested evenly in 4 distributions within a 4-year period from vesting commencement; (2) to be vested evenly in 4 distributions within a 37 months period from vesting commencement; (3) to be vested evenly in 2 distributions within a 2-year period from vesting commencement.

Note iii: There are four types of vesting schedules: (1) to be vested in full in the month of grant; (2) to be vested evenly in 2 distributions within a 14 months period from vesting commencement; (3) to be vested evenly in 4 distributions within a 38 months period from vesting commencement; (4) to be vested evenly in 4 distributions within a 4-year period from vesting commencement.

Note iv: In August 2024, the Company granted a bonus award to the certain employees that entitles them to receive a variable number of shares with fair value equivalent to the bonus award amount, if they remain in employment for three years and fulfill certain performance targets for each of the three years ending 30 November 2024, 2025 and 2026. The number of shares that the employees will receive is based on the share price on the vesting date and to be approved by the Board of the Company.

The share-based compensation expenses recognized during the years ended 31 December 2024 and 2023 are summarized in the following table:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Employee share schemes – value of employee services	102,759	77,653

Movements in the number of RSUs outstanding and their related exercise prices:

	Average exercise price (RMB)	Number of RSUs
Outstanding balance as at 1 January 2024	0.14	7,454,773
Granted during the year	0.01	7,745,914
Vested during the year	0.01	(4,065,417)
Forfeited during the year	0.01	(455,140)
Outstanding balance as at 31 December 2024	0.10	10,680,130
– Vested but not transferred as at 31 December 2024	0.01	496,100
Outstanding balance as at 1 January 2023	5.14	2,033,760
Granted during the year	0.01	8,151,565
Vested during the year	4.25	(2,437,672)
Forfeited during the year	1.10	(292,880)
Outstanding balance as at 31 December 2023	0.14	7,454,773
– Vested but not transferred as at 31 December 2023	6.17	3,314,432

The fair value of the awarded shares was determined based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

The weighted average fair value of awarded shares granted during the year ended 31 December 2024 was HKD10.29 per share (equivalent to approximately RMB9.37 per share) (2023: HKD24.84(RMB21.75)).

24 EVENTS AFTER BALANCE SHEET DATE

In January 2025, the Company placed a total of 19,150,000 placing shares to certain independent third parties at the placing price of HKD10.10 per placing share with net proceeds of approximately HKD189 million, net of all applicable costs and expenses including commissions, professional fees and out-of pocket expenses.

OTHER INFORMATION

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

During the Reporting Period, the trustee of the RSU Scheme (defined below) has utilized an aggregate of approximately HKD52.1 million (including commissions and transaction costs) to purchase 4,224,400 Shares from the open market at a consideration ranging from HKD9.01 to HKD14.76 per Share. The Shares purchased during such period represent 0.95% of the issued Shares as of December 31, 2024. The purchased Shares will be used as share awards to incentivize key personnel of our Group and/or its related entities.

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

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

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

On July 13, 2024, pursuant to the terms and conditions of the Convertible Bonds, the bondholders holding an aggregate principal amount of US\$35 million representing 50.0% of the aggregate principal amount of the Convertible Bonds originally issued, exercised their option to require the Company to redeem all Convertible Bonds held by them at the principal amount, together with interest accrued but unpaid up to but excluding such date (the "**Redemption**"). On July 15, 2024, the Company completed such Redemption in full. For details, please refer to the Company's announcements dated June 14, 2024 and July 15, 2024. As of the date of this announcement, there are no outstanding Convertible Bonds in issue. The Convertible Bonds were delisted from the Stock Exchange on July 23, 2024.

Saved as disclosed above, neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's listed securities (including any sale of treasury shares) during the Reporting Period. As of December 31, 2024, the number of treasury shares held by the Company for the purpose of the Listing Rules was nil.

Change in Directors' biographical details under Rules 13.51(2) and 13.51B(1) of the Listing Rules

During the Reporting Period, Ms. Liang Shengtian was appointed as an executive Director with effect from June 5, 2024 as disclosed in the Company's announcement dated June 5, 2024. In addition, Mr. Ouyang Rihui was appointed as an independent non-executive Director and a member of the Audit Committee with effect from December 11, 2024 as disclosed in the Company's announcement dated December 11, 2024.

During the Reporting Period, Mr. Akio Tanaka and Mr. Yang Tao have resigned from their respective positions as non-executive Director and independent non-executive Director with effect from December 11, 2024 to focus on other work commitments. Both Mr. Tanaka and Mr. Yang have confirmed that they have no disagreement with the Board and that there is no other matter relating to their resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange.

Save as disclosed above, there is no change in Directors' biographical details which is required to be disclosed pursuant to rules 13.51(2) and 13.51B(1) of the Listing Rules for the year ended December 31, 2024.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. The Board is of the view that for the year ended December 31, 2024 and up to the date of this announcement, the Company has complied with most of the code provisions as set out in the CG Code, except for the deviation from code provision C.2.1 of Part 2 as explained below.

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

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

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Group’s code of conduct regarding the Directors’ securities transactions. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the Model Code for the year ended December 31, 2024.

The Board has also adopted written guidelines (the “**Employees Written Guidelines**”) no less exacting than the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of Part 2 of the CG Code. No incident of non – compliance with the Employees Written Guidelines by the Company’s relevant employees had been noted for the year ended December 31, 2024 and up to the date of this announcement after making reasonable enquiry.

Audit Committee and Review of Financial Information

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

The Audit Committee, has reviewed the Group’s audited consolidated financial statements for the year ended December 31, 2024. The Audit Committee has also reviewed the accounting principles adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters.

Scope of Work of PricewaterhouseCoopers (the “Auditor”)

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Auditor to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on this announcement.

Publication of Annual Results Announcement and Annual Report

This annual results announcement is published on the website of the Stock Exchange (<https://www.hkexnews.hk/>) and the website of the Company (<https://www.yeahka.com/>). The annual report of the Company for the year ended December 31, 2024 containing all the information required by the Listing Rules will be made available on the same websites in due course.

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

Hong Kong, March 27, 2025

As of the date of this announcement, the Board comprises Mr. Liu Yingqi, Mr. Yao Zhijian, Mr. Luo Xiaohui and Ms. Liang Shengtian as executive directors, Mr. Tam Bing Chung Benson, Mr. Yao Wei and Mr. Ouyang Rihui as independent non-executive directors.