

[Press Release]



Yeahka Announces 2023 Interim Results
Strong growth in one-stop payment, improved efficiency by AIGC

24 August 2023, Hong Kong — Yeahka Limited (“Yeahka” or the “Company,” Stock Code: 9923.HK), a leading payment-based technology platform in China, is pleased to announce its interim results for the six months ended June 30, 2023 (the “Reporting Period” or the “first half”).

Financial Highlights

- Total revenue reached RMB2,062.2 million, representing a year-on-year (YoY) increase of 25.6%;
- Gross profit reached RMB366.0 million, and gross profit margin was 17.7%;
- Adjusted EBITDA amounted to RMB290.9 million, an increase of 317.4% YoY;
- Gross profit margin of in-store e-commerce services improved to 76.9% in the first half of 2023 from 57.1% in the first half of 2022, while its net loss narrowed significantly YoY.

Operational Highlights

One-stop payment services growth boosted by broadened merchant base and diversified channel network:

- Total gross payment volume (“GPV”) of payment services increased by 33.5% YoY to reach RMB1.42 trillion, of which 70.5% was app-based payment services;
- Number of active payment service merchants reached 9.2 million, an increase of 20.7% YoY;
- Fee rate increased to 12.9 basis points (bps) in the first half of 2023 from 12.0 bps in the first half of 2022 and continues to trend upward;
- The peak daily count of app-based payment transactions reached nearly 60 million;
- Number of independent sales agents in nationwide channel network reached nearly 19,000, and number of application programming interface (API) partners in our cloud payment platform reached over 4,000;
- Guidance of GPV in 2023 remains intact: RMB2.7 trillion ~ RMB2.9 trillion.

In-store e-commerce services maintained strong growth momentum:

- Total gross merchandise value (“GMV”) exceeded RMB2.4 billion, an increase of 78.9% YoY.

Merchant solutions benefited from cross-segment synergy after post-pandemic reopening:

- Number of active merchant solutions merchants for the 12 months ended June 30, 2023 exceeded 1.5 million, an increase of 6.2% YoY and 25.7% HoH.

Mr. Luke Liu, Chairman of the Board and Chief Executive Officer, said, "Yeahka delivered a strong performance for the first half of 2023, achieving robust revenue growth and creating deeper synergies across our three main businesses as offline consumption recovery gained traction. The GPV and number of active merchants of our one-stop payment services continued to out-grow the market. Merchant solutions regained tractions as user scale and per merchant monetization recover. For in-store e-commerce, while focusing on achieving our monthly breakeven goal as a top priority, we greatly improved efficiency through technological innovation of AIGC tools and AI-powered interactive virtual hosts in live-streaming, and widened our geographic coverage and GMV by successfully executing our asset light co-op model strategy that works in tandem with our efficient self-operate model. We are in this 35 trillion RMB local lifestyle market for the long term and will continue to be the go-to partner for merchants and platforms. As the market matures, the in-store e-commerce business will contribute more revenue and cross-sell opportunities for our other business lines."

Mr. Ben Zhao, Board Secretary and General Manager of Corporate Development, added, "For one-stop payment services, we mainly service small and medium merchants from a wide range of industries, representing key components of the consumer staples sector who are less affected by the turbulence in the macro environment. Given our unique positioning, we achieved a remarkable 33.5% year-on-year growth in GPV. The rapid growth in our performance demonstrates our business resilience and ability to thrive in a complex environment. We advanced our joint merchant acquiring services' collaboration with banks, developed digital currency solutions, brought our one-stop payment services to branded franchise and chain stores, and further broadened our coverage of small, medium, and large merchants, as well as vertical brand leaders nationwide, in order to solidify our competitive edge and expand our business scale. In relation to in-store e-commerce, the AIGC tools developed by our AI Lab can automatically generate short videos and texts, and AI-powered interactive virtual hosts are widely used in live-streaming settings. These products have effectively increased our efficiency by 70% and reduced production costs by 90%. On the market expansion side, we reached new merchants in lower tier cities through our dynamic co-op model more efficiently. On the traffic side, we continued to extend our partnerships with major traffic platform partners, such as Douyin, Kuaishou, Amap, Pinduoduo, etc., further optimizing our coverage in catering, leisure, hotel, tourism, and other sectors while capturing the opportunities arising from the offline consumption recovery. With regards to merchant solutions, we integrated a range of digital modules within our payment Apps, allowing us to convert customers from one-stop payment services to merchant solutions seamlessly and cost-effectively. In the first half of this year, ARPU rebounded to almost the levels of the first half of 2022, and there is still plenty of room for future improvement."

Outlook

Mr. Luke Liu concluded, "We have kick-started our business in Singapore and Hong Kong, China, and have assembled a team in Indonesia, to provide cross-border and local payment services, such as bank card & QR-code acceptance and remittance, etc. Looking ahead, we will continue to push the boundaries of innovation and expand internationally. We are confident that our cutting-edge products, effective execution capabilities, and unique business models will continue to propel growth in our customer base and inspire lasting merchant loyalty, supporting our long-term sustainable growth while creating value for all our stakeholders."

- End -

About YEAHKA LIMITED (Stock Code: 9923.HK)

Yeahka is a leading payment-based technology platform dedicated to creating value for merchants and consumers. Our goal is to build an independent and scalable commercial digitalized ecosystem to enable seamless, convenient, and reliable payment services to merchants and consumers, and to further expand into serving merchants and consumers with our diversified product portfolio, which now includes (i) in-store e-commerce services, providing consumers with local lifestyle services of great value, and (ii) merchant solutions, enabling merchants to better manage and drive business growth.

For more information, please visit <https://www.yeahka.com/>

Investor and media inquiries, please contact:

In China:

Yeahka Limited
IR Team
E-mail: ir@yeahka.com

Piacente Financial Communications
Hui Fan
Tel: +86-10-6508-0677
E-mail: yeahka@thepiacentegroup.com

In the United States:

Piacente Financial Communications
Brandi Piacente
Tel: +1-212-481-2050
E-mail: yeahka@thepiacentegroup.com