WEIMOB INC.
微盟集團 *

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2013)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

The board of directors (the "**Directors**") (the "**Board**") of Weimob Inc. (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended December 31, 2019 together with the comparative figures for the year ended December 31, 2018. The Group's results have been audited by PricewaterhouseCoopers, the independent auditor of the Company, in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA, and have been reviewed by the Audit Committee (as defined below).

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

FINANCIAL PERFORMANCE HIGHLIGHTS

	Year ended December 31,		**Year-on-year**
	2019	2018	**change**
	(RMB in millions, except % percentages)		
Revenue	**1,436.8**	865.0	66.1%
Gross profit	**797.1**	517.6	54.0%
Operating profit/(loss)	**37.8**	(41.9)	N/A
Profit/(loss) before income tax	**328.4**	(1,090.6)	N/A
Profit/(loss) for the year	**311.3**	(1,091.2)	N/A
Total comprehensive income/(loss) for the year	**311.3**	(1,094.7)	N/A
Non-HKFRS Measures:			
Adjusted EBITDA	**167.8**	72.6	131.1%
Adjusted net profit	**77.3**	50.8	52.1%

* *For identification purpose only*

2019 RESULTS HIGHLIGHTS

Our total revenue for the year ended December 31, 2019 reached RMB1,437 million, representing an increase of 66.1% from RMB865 million in 2018. Our gross profit for the same period increased by 54.0% from RMB518 million in 2018 to RMB797 million in 2019. Our net profit was RMB311 million, including the gain of RMB298 million due to a change in fair value of financial liabilities recognized for our preferred shares under HKFRS. Our adjusted EBITDA significantly increased by 131.1% from RMB73 million in 2018 to RMB168 million in 2019, and adjusted net profit increased from RMB51 million in 2018 to RMB77 million in 2019.

For the year ended December 31, 2019, the number of paying merchants of our SaaS products increased by 23.0% to 79,546, and the ARPU of our SaaS products increased by 18.8% to RMB6,373. The number of advertisers using our targeted marketing increased by 19.4% to 34,142, and the average spend per advertiser increased by 77.4% to RMB154,680. The gross billing of our targeted marketing significantly increased by 111.9% to RMB5,281 million.

Through continuous innovation in technology, products and services, we received various awards and recognitions in 2019, including "2019 SOFT6.COM SAAS Influential Enterprise" (「2019年中國軟件網SaaS年度影響力企業」), "Official Partner of Tencent Smart Retail" (「騰訊智慧零售官方合作夥伴」), "Best Partner for Regional and Medium to Long Tail Channels in 2019" (「區域及中長尾渠道2019年度最佳合作夥伴」) of Tencent Ads (騰訊廣告), "2019 Top 20 Retail Digital Service Providers" (「2019零售數字化服務商20強」) and "2019 Top 20 Catering Service Providers" (「2019餐飲產業服務商20強」) by IYIOU.COM (億歐網), "2019 iResearch Awards – Best Innovative Platform Award" (「2019年金瑞獎 – 最佳創新平台獎」), "2019 ifenxi · 2019 China Top 100 Science and Technology Innovation Enterprises" (「2019愛分析·中國科技創新企業100強」), "China Top 50 Retail Innovation Enterprises" (「中國零售創新企業50強」), "WISE 2019 King of the New Economy in Consumption Sector – King of New Retail" (「WISE 2019新經濟之王之消費領域 – 新零售之王」) by 36Kr (36氪), 2019 Most Influential Innovation Enterprise Award in Enterprise Service (「2019年度企業服務領域最具影響力創新企業獎」) by Lieyunwang (獵雲網), "2019 Enterprise Service Platform for New Industrial Economy" (「2019年度新產業經濟企業服務平台」) by Zncaijing (鋅財經), "2019 Most Valuable Smart Retail Platform" (「2019年度最具價值智慧零售平台」) by Feifan Capital (非凡資本), "2019 EBRUN Top 30 in New Services of Future Retail" (「2019億邦未來零售新服務TOP30」).

In fulfilling our social responsibilities, we, as a technical supporter, developed and launched the Little Wish (微心願) Mini Program for Shanghai Charity Foundation (上海市慈善基金會). In 2018 and 2019, we participated in the "Supporting the Youth in Fulfilling Their Dreams" (「青春聚力量，圓夢在行動」) public welfare poverty alleviation project launched by Office for Cooperation and Exchange Affairs of the Shanghai Municipal People's Government (上海市政府合作交流辦), Shanghai Committee of the Communist Youth League of China and Shanghai Charity Foundation. We thereby supported students in poverty in many provinces, cities and regions in China in fulfilling their dreams, closely linked poverty alleviation projects to the Internet, and stimulated social forces to support poverty alleviation. In 2020, during the outbreak of Coronavirus Disease 2019 (COVID-19), we actively fulfilled our social responsibilities. We donated RMB10 million through Shanghai Charity Foundation. Further, we provided Wei Form (微盟表單) functions for free use in China in order to help relevant departments to collect and register masks ordering data, statistics of whereabouts of returning persons, and other information. We also took measures to support industries and merchants that were significantly affected by the outbreak. We offered an additional 2-month service period to merchants in the smart retail segment, provided new merchants with One-to-One remote implementation and delivery (遠程實施交付) services, and opened Weimob live shopping platform for merchants' live broadcasting, all free of charge. At the same time, we provided the Weimob food delivery Mini Program nationwide for free use by merchants in the catering segment for 3 months. In addition, we offered Weimob "Battle" Courses (微盟「戰役」公開課), which provided merchants with emergency response and practice guidance on online transformation during the outbreak, rapidly meeting their demand for online operation.

BUSINESS REVIEW

In 2019, we made a breakthrough in both our SaaS products and targeted marketing businesses. In terms of SaaS products, our Commerce Cloud (商業雲) products are oriented towards social e-commerce, smart retail, smart catering, smart hotel, local life and other verticals, providing a complete one-stop solution.

In terms of the social e-commerce, benefiting from the wide acceptance of WeChat Mini Programs by WeChat users and enterprises, we take Mini Programs as the core of our Wei Mall (微商城) products and continuously upgrade their functions, thus steadily increasing the number of our paying merchants and revenue. We have launched Mini Programs for distribution market and live broadcasting, thereby establishing distribution networks and live broadcasting selling platforms for enterprises, solving merchants' problems of stockout and traffic deficiency, and expanding their sales channels. In order to expand the merchants' sales channels, we are in the process of negotiating with more Mini Program platforms for cooperation. In addition, we launched Zhiketui (直客推), which is deeply linked with our targeted marketing business, reduces steps of e-commerce advertisers to create transactions, enables merchants to quickly sell goods through advertising, and helps form a closed loop from traffic attraction to transaction for e-commerce within our ecosystem.

In the smart retail segment, by providing full-link digital solutions for owners of retail chain brands with offline stores, our smart retail business achieved soaring growth, with more and more retail enterprises choosing our products and services to realize the digitalization of passenger flow, stores, shopping guide and marketing. We have successful cases in clothing, beauty makeup, home textiles, food, 3C (computer, communication and consumer electronics) and other industries. As at December 31, 2019, the number of merchants in the smart retail segment reached 1,101, with revenue of RMB44.743 million, accounting for 8.8% of the total revenue from SaaS. There were 217 brand merchants, with ARPU of RMB0.125 million. At the same time, we have established good cooperation with Tencent Smart Retail (騰訊智慧零售) in customer acquisition, product research and development, and operational services, and have been recognized as an official partner of Tencent Smart Retail. We also carried out strategic cooperation with Demo Network (達摩網絡), a digital retail CRM service provider, to deeply integrate Weimob smart retail solutions' digitalization capabilities and Demo's membership marketing capabilities. This cooperation formed an integrated solution of "Mini Program + member + shopping guide", which helps enterprises operate private domain traffic and improve shopping guide and sales capabilities, thus helping retail enterprises achieve performance growth. In the future, we will coordinate and cooperate with more digital retail third-party service providers. We believe that the revenue from the smart retail segment will continue to grow in the future and account for a greater percentage of the total revenue from SaaS.

In the smart catering segment, our Smart Restaurant (智慧餐廳) products, which are based on decentralized business model, provide catering enterprises with one-stop smart catering solutions such as membership marketing, meal ordering, payment and food delivery, helping them accumulate members and build private domain traffic. Through continuously enriching and improving our product capabilities, we provide industry-leading catering Mini Programs and membership marketing solutions for the merchants. As at December 31, 2019, the number of merchants in the catering segment reached 4,602, with revenue accounting for 7.8% of the total revenue from SaaS, and ARPU of RMB8,619. At the same time, we strengthened our arrangements for Mini Programs for food delivery. We have established an in-depth cooperative relationship with Syoo Network (商有網絡), a food delivery agent operation service provider in the catering industry. Through the cooperation, we formed the comprehensive strategic arrangement of "agent operation + Yun Xiao Dian (雲小店) + Yun Guan Jia (雲管家) + business school", in order to serve catering brands in all aspects of "product – service – empowerment". We provided an integrated solution of "full domain membership + private domain traffic" in four scenarios, i.e. to home, to store, en route and takeout, and helped merchants establish their own Mini Programs for food delivery, thus reducing their marketing costs for customer acquisition. At the beginning of 2020, through the acquisition of Wuxi Yazuo Zaixian Technology Co., Ltd. (無錫雅座在線科技股份有限公司, "**Yazuo**") (a comprehensive solution provider in the catering sector), we obtained complementary strengths in terms of membership management and marketing system, and followed the integration trend in the catering SaaS sector. We thus created a smart catering solution which integrated membership management, cashier, food delivery, meal ordering, reservation and supply chain management. Through this solution, we aim to address pain points in the catering sector, including centralized platforms' control on traffic, high commission rate, the disconnection between service providers in different scenarios, and lack of in-depth operation. We will continue to rely on WeChat's characteristics of decentralization and private domain traffic, and to differentiate ourselves from the ecological closed loop of the centralized platform, thus improving our industry competitiveness.

In terms of smart hotel and local life segments, our Smart Hotel (智慧酒店) products provide hotel merchants with WeChat direct sales solutions, including online room booking, online mall, membership marketing and other services. We serve middle and high-end hotels through Xiangminiao Network (向蜜鳥網絡) in which we have invested. By far we have served 362 high-end star-rated hotels. In addition, we established a direct sales team for Smart Hotel to serve the long-tail market of low and middle-end hotels. Our Ke Lai Dian (客來店) products have the core functions of online reservation, membership management and periodic pay-per-use card. We continuously improved our products and marketing capacity, thus fully meeting the digital transformation needs of merchants who engaged in local life businesses including beauty, leisure and fitness, and helping stores increase revenue. Since more and more merchants begin to attach importance to private domain traffic and digital upgrade, we believe that more merchants will use our products in the future.

In terms of Marketing Cloud (營銷雲), we have marketing tools and products including Wei Station (微站), Sales Pusher (銷售推), Smart Marketing (智營銷), Weimob Meeting (微盟會務) and Wei Form. Our Wei Station products were upgraded mainly with a focus on template update, decoration optimization, etc. At present, there are over 100 types of decoration templates. Merchants can use Wei Station to rapidly build their own official websites based on Mini Programs. It has become the first choice for building a Mini Program-based website. As for Smart Marketing products, preliminary success has been achieved in constructing a customer data platform (CDP) for large and medium-sized customers. Smart Marketing has entered the comprehensive business expansion stage. Sales Pusher, a Sales Cloud (銷售雲) product, with continuously strengthened product functions, has been deeply connected to WeChat Work (企業微信), and has provided various marketing tools to support enterprises in sales and customer acquisition. In addition, we have continuously developed various social marketing plug-ins to help merchants quickly acquire customers through social sharing. We have developed a total of over one hundred marketing plug-ins.

In terms of targeted marketing, by connecting to more advertisers and media resources, our targeted marketing business has achieved breakthrough growth despite the challenging and uncertain macro environment. In 2019, as a leading service provider in regional and industry channels of Tencent Ads, we obtained many awards and various key regional licenses, industry licenses and country-wide KA (Key Account) licenses from Tencent Ads. At the same time, we have developed in-depth cooperation with Tencent Ads in many other aspects. Both parties have jointly launched the "Tencent - Weimob Plan" (「騰盟計劃」) to empower DTC (Direct to Customer) e-commerce and have established the first regional marketing service center authorized by Tencent at Shanghai headquarter of Weimob. We continue to be deeply engaged in verticals and regional markets, thus deepening and widening our business. In addition, we have strengthened cooperation with more media traffic providers to improve our traffic supply, which has become a new important source of growth. We have established a short video center, which firmly ensures creative delivery of short video advertisements by advertisers.

In terms of cloud platform, Weimob Cloud Platform (微盟雲平台) is the basis for our construction of PaaS cloud services. We have currently amassed more than 500 third-party developers who offered approximately over 800 applications. Our PaaS platform has served many large customers, and its privatization deployment was completed. Through the Weimob Cloud Platform, we not only provide standard solutions to serve small and medium-sized enterprises but also offer tailored solutions to serve large customers together with our partners.

In terms of strategic cooperation, investment, mergers and acquisitions, in addition to developing core businesses internally, we have also strengthened our strategic cooperation and investment with industry-leading enterprises and institutional investors, and made arrangements for SaaS industry and enterprises in marketing-related upstream and downstream industry chains. We aim to quickly enter new sectors through strategic cooperation, investment, mergers and acquisitions, to seize new opportunities in relevant verticals, and to realize coordinated development with our existing business. We cooperated with Huifu Payment (匯付天下) in the sector of "SaaS + payment" to provide merchants with one-stop smart payment solutions. We also cooperated with Super Shopping Guide (超級導購). Through the solution of "SaaS tools + shopping guide operation", we helped retail enterprises improve their shopping guide marketing capacities and performance results. We have invested in Demo Network, a digital retail CRM service provider, which deepens our synergy in the smart retail segment. In terms of industrial arrangements, we have established an industry fund, namely, Weimob Soft Cloud (微盟軟雲) jointly with Shanghai Innovital Capital (上海雙創). We have also established Nanjing Meridian Weimob Fund (南京華映微盟基金) jointly with Nanjing Meridian (南京華映), Nanjing Industry Development Fund (南京市產業發展基金) and Nanjing Jianye Technology Innovation Fund (南京市建鄴科技創新基金). The funds will make investments in enterprise-level SaaS services, digital marketing and other relevant sectors. In the future, we plan to carry out mergers, acquisitions and investments in more verticals to expand our product range and realize rapid business development through endogenous growth and exogenous expansion.

BUSINESS OUTLOOK

Looking forward to 2020, we will take the digital transformation of enterprises as our core strategy, continuously expand our cloud service offerings, strengthen the monetization of existing customers, enhance cooperation with Tencent and other decentralized platforms, build an open and cooperative ecosystem of Weimob Cloud Platform, explore more strategic cooperation and acquisition opportunities, and persist in empowering business through the decentralization business model.

We will always adhere to taking cloud services as the core of our business and build our intelligent business ecosystem around Commerce Cloud, Marketing Cloud, Sales Cloud and Service Cloud (服務雲). In the Commerce Cloud segment, we will continue to be deeply engaged in verticals including social e-commerce, smart retail, smart catering, smart hotel and local life, with a focus on smart retail and smart catering.

In terms of smart retail, it will be our strategic focus. We have signed contracts with more than 200 retail brand merchants. With an increasing number of stores, there will be a gradual increase in the per customer transaction of brand merchants, strong brand merchant stickiness, and a low attrition rate. Our smart retail solutions have leading advantages in terms of product function and acquisition of industry benchmark customers. We expect that this advantage will be further enhanced in the future and our share in retail digitization will gradually increase. At the same time, we will enhance upstream and downstream cooperation in the retail digitalization sector through strategic cooperation and investment, to establish ecological partnership and in-depth integration of product solutions. We will also deepen the collaboration with Tencent Smart Retail and Tencent Ads to take advantage of Tencent's digitalization tool function and operation system, thus helping brands better realize digital upgrade.

In terms of smart catering, we have been a leader in the WeChat-based membership marketing industry. In 2020, we propose to acquire 63.83% equity interest in Yazuo and exercise our control strategically. This will help enrich the product line of smart catering and create a smart catering solution integrating membership management, cashier, food delivery, meal ordering, reservation and supply chain management. At the same time, we can make great progress in breaking sales capacity limits, and continue to maintain a leading position in membership management and marketing for catering enterprises, and form a comprehensive sales model under which the consultant team, the direct sales team and the channel sales focus on the head catering customers, the middle catering customers and the tail catering customers respectively. Our solution will be able to properly address existing pain points in the catering sector, including centralized platforms' control on traffic, high commission rate, the disconnection between service providers in different scenarios, and lack of in-depth operation. We will continue to rely on WeChat's characteristics of decentralization and private traffic, and to differentiate ourselves from the ecological closed loop of the centralized traffic platform, thus improving our industry competitiveness.

While continuously improving our existing products, our Commerce Cloud will be deeply planned around different verticals. In addition to the existing smart hotel and local life sectors, we will develop our business in education, beauty and other industries in the future. Our Marketing Cloud helps customers build a customer data platform (CDP) and a content creation platform, and provides omni-channel touchpoints and marketing automation tools, to improve the advertising effect for customers. We will focus on upgrading Sales Pusher products to form independent Sales Cloud solutions, including sales automation, smart customer acquisition, call center, office collaboration and other functional modules. With the huge sales network system of Weimob, we will have natural advantages in acquiring customers, and our Sales Cloud will focus on one-stop smart sales management for small and medium-sized enterprises. We will also continue to improve our SaaS business arrangements through strategic cooperation, investment and acquisitions. In terms of Sales Cloud and Service Cloud, we will seek more strategic cooperation, investment and acquisitions so that we can quickly enter new service areas and realize rapid business development through exogenous expansion.

Customers are the foundation of our business. Only by continuously creating value for customers can we achieve a win-win outcome with them. We will strengthen the monetization of existing customers, for which our large customer base provides a solid foundation. We will strengthen the monetization of SaaS products and targeted marketing through cross-marketing and cross-selling between different products and services. We will always persist in empowering customers in a decentralized manner. We will provide a series of intelligent business solutions, continuously create value for customers, support enterprises in digital transformation, thus making business more intelligent.

Common development is the norm in the industrial Internet era. We will strengthen the cooperation with Tencent and other platforms. At the same time, we will continue to build our own ecosystem of service providers and partners. We will carry out in-depth cooperation with Tencent on Mini Programs, Social Advertising, Smart Retail, WeChat Pay, Tencent Cloud and other business lines. We will also strengthen the cooperation with more third-party platforms to jointly provide better services to merchants. We will, as always, encourage and support third-party developers to develop applications on our Weimob Cloud Platform, so as to expand our offerings to customers and to provide tailored solutions to large customers together with our partners. In the next step, we will focus more on cultivating our developer ecosystem, so that we can take advantage of more public capabilities and cooperate with the developers in building our ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

	Year ended December 31,	
	2019	2018
	(RMB'000)	
Revenue	**1,436,787**	865,031
Cost of sales	**(639,657)**	(347,382)
Gross profit	**797,130**	517,649
Selling and distribution expenses	**(716,907)**	(449,799)
General and administrative expenses	**(129,936)**	(151,380)
Net impairment losses on financial assets	**(6,630)**	–
Other income	**67,434**	16,490
Other gains, net	**26,676**	25,148
Operating profit/(loss)	**37,767**	(41,892)
Finance costs	**(13,151)**	(5,377)
Finance income	**1,569**	254
Share of net profit of associates accounted for using the equity method	**3,941**	–
Change in fair value of redeemable and convertible preferred shares	**298,280**	(1,043,582)
Profit/(loss) before income tax	**328,406**	(1,090,597)
Income tax expense	**(17,098)**	(610)
Profit/(loss) for the year	**311,308**	(1,091,207)
Other comprehensive income/(loss), net of tax		
Change in fair value of financial liabilities from own credit risk	**–**	(3,483)
Total comprehensive income/(loss) for the year	**311,308**	(1,094,690)
Attributable to:		
– Equity holders of the Company	**311,978**	(1,092,689)
– Non-controlling interests	**(670)**	(2,001)
	311,308	(1,094,690)

Key Operating Data

The following table sets forth our key operating data for the years ended/as of December 31, 2019 and 2018.

	Year ended/as of December 31,	
	2019	2018
SaaS products		
Addition in number of paying merchants	**29,223**	26,995
Number of paying merchants	**79,546**	64,695
Attrition rate[1]	**22.2%**	26.8%
Revenue (RMB in millions)	**507.0**	347.1
ARPU[2] (RMB)	**6,373**	5,365
Targeted marketing		
Addition in number of advertisers	**29,424**	23,521
Number of advertisers	**34,142**	28,589
Repurchase rate (Number of repurchased advertisers[3]/advertisers)	**68.3%**	55.4%
Gross billing (RMB in millions)	**5,281.1**	2,492.5
Average spend per advertiser (RMB)	**154,680**	87,185

Notes:

(1) Refers to the number of paying merchants not retained over a year divided by the number of paying merchants as of the end of the previous year.

(2) Refers to the average revenue per paying merchant, which equals revenue of SaaS products for the year divided by the number of paying merchants as of the end of such year.

(3) Refer to advertisers who used our targeted marketing more than once during the year.

Key Financial Ratios

	Year ended December 31,	
	2019	2018
	%	
Total revenue growth	**66.1**	62.0
– SaaS products	**46.1**	32.1
– Targeted marketing	**79.5**	90.9
Gross margin[1]	**55.5**	59.8
– SaaS products	**80.5**	85.0
– Targeted marketing	**41.8**	43.0
Adjusted EBITDA margin[2]	**11.7**	8.4
Net margin[3]	**21.7**	(126.1)
Adjusted net margin[4]	**5.4**	5.9

Notes:

(1) Equals gross profit divided by revenue for the year and multiplied by 100%.

(2) Equals adjusted EBITDA divided by revenue for the year and multiplied by 100%. For the reconciliation from operating profit/(loss) to EBITDA and adjusted EBITDA, see "– Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net Profit/(Loss)" below.

(3) Equals profit/(loss) divided by revenue for the year and multiplied by 100%.

(4) Equals adjusted net profit/(loss) divided by revenue for the year and multiplied by 100%. For the reconciliation from net profit/(loss) to adjusted net profit/(loss), see "– Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net Profit/(Loss)" below.

Revenue

Our total revenue increased by 66.1% from RMB865.0 million in 2018 to RMB1,436.8 million in 2019, primarily due to the increases in our revenues generated from both our SaaS products and targeted marketing. The following table sets forth a breakdown of our revenue by business segment for the years indicated.

	Year ended December 31,			
	2019		2018	
	(RMB in millions, except percentages)			
Revenue				
SaaS products	**507.0**	**35.3%**	347.1	40.1%
Targeted marketing	**929.8**	**64.7%**	518.0	59.9%
Total	**1,436.8**	**100.0%**	865.0	100.0%

SaaS products

Revenue from our SaaS products increased by 46.1% from RMB347.1 million in 2018 to RMB507.0 million in 2019, primarily due to the increased number of paying merchants for our SaaS products from 64,695 in 2018 to 79,546 in 2019, and the increased ARPU of our SaaS products from RMB5,365 in 2018 to RMB6,373 in 2019.

The following table sets forth a breakdown of our revenue from SaaS products by sales channels for the years indicated.

	Year ended December 31,			
	2019		2018	
	(RMB in millions, except percentages)			
Revenue				
Commerce Cloud	**401.5**	**79.2%**	266.3	76.7%
Marketing Cloud[(1)]	**105.4**	**20.8%**	80.8	23.3%
Total	**507.0**	**100.0%**	347.1	100.0%

Note:

(1) Revenue from Marketing Cloud includes our revenue from Sales Pusher (銷售推) of RMB5.7 million in 2019.

Targeted marketing

The following table sets forth a breakdown of the gross billing of our targeted marketing by recognition method for the years indicated.

	Year ended December 31,			
	2019		2018	
	(RMB in millions, except percentages)			
Gross billing				
Gross method	**672.6**	**12.7%**	383.7	15.4%
Net method	**4,608.5**	**87.3%**	2,108.8	84.6%
Total	**5,281.1**	**100.0%**	2,492.5	100.0%

The gross billing of our targeted marketing increased significantly from RMB2,492.5 million in 2018 to RMB5,281.1 million in 2019, primarily due to the increase in the number of advertisers who purchased our targeted marketing from 28,589 in 2018 to 34,142 in 2019, as well as an increase in average spend per advertiser from RMB87,185 in 2018 to RMB154,680 in 2019.

Revenue from our targeted marketing increased by 79.5% from RMB518.0 million in 2018 to RMB929.8 million in 2019, which was in line with the increase in the gross billing.

The following table sets forth a breakdown of our revenue from targeted marketing by revenue recognition method for the years indicated.

	Year ended December 31,			
	2019		2018	
	(RMB in millions, except percentages)			
Revenue				
Gross method	**571.4**	**61.5%**	316.5	61.1%
Net method	**358.4**	**38.5%**	201.5	38.9%
Total	**929.8**	**100.0%**	518.0	100.0%

Our revenue from targeted marketing recognized on a gross basis increased by 80.5% from RMB316.5 million in 2018 to RMB571.4 million in 2019, while our revenue from targeted marketing recognized on a net basis increased by 77.9% from RMB201.5 million in 2018 to RMB358.4 million in 2019.

Cost of Sales

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

	Year ended December 31,			
	2019		2018	
	(RMB in millions, except percentages)			
Cost of sales				
Advertising traffic cost for targeted marketing revenue	**524.2**	**81.9%**	286.5	82.5%
Staff costs	**21.8**	**3.4%**	18.7	5.4%
Broadband and hardware costs	**31.7**	**5.0%**	11.6	3.3%
Contract operation services costs	**13.3**	**2.1%**	6.9	2.0%
Amortization of intangible assets	**41.2**	**6.4%**	18.4	5.3%
Taxes and surcharges	**6.8**	**1.1%**	5.0	1.4%
Depreciation and amortization	**0.7**	**0.1%**	0.3	0.1%
Total	**639.7**	**100.0%**	347.4	100.0%

Our cost of sales increased by 84.1% from RMB347.4 million in 2018 to RMB639.7 million in 2019, primarily because (i) our advertising traffic cost for targeted marketing revenue increased by 83.0% from RMB286.5 million in 2018 to RMB524.2 million in 2019, in line with the growth of our targeted marketing business, (ii) our broadband and hardware costs increased from RMB11.6 million in 2018 to RMB31.7 million in 2019, primarily as a result of increased use of hardware and broadband services due to the business expansion of our SaaS products clients, (iii) our amortization of intangible assets increased from RMB18.4 million in 2018 to RMB41.2 million in 2019, which represents the amortization of our intangible assets relating to self-developed software, and (iv) our staff costs increased from RMB18.7 million in 2018 to RMB21.8 million in 2019, mainly due to the increase in our operation staff for target marketing in 2019.

The following table sets forth a breakdown of our cost of sales by business segment for the years indicated.

	Year ended December 31,			
	2019		2018	
	(RMB in millions, except percentages)			
Cost of sales				
SaaS products	**98.9**	**15.5%**	52.1	15.0%
Targeted marketing	**540.8**	**84.5%**	295.3	85.0%
Total	**639.7**	**100.0%**	347.4	100.0%

SaaS products

Cost of sales of our SaaS products increased by 89.6% from RMB52.1 million in 2018 to RMB98.9 million in 2019, primarily due to (i) an increase of RMB20.1 million in broadband and hardware cost primarily as a result of increased use of hardware and broadband services due to the launches of new SaaS products we developed in the second half of 2018, as well as the business expansion of our SaaS products clients, and (ii) an increase of RMB22.8 million in our amortization of intangible assets relating to our self-developed software for SaaS products as a result of our increased investment in research and development and the corresponding increase in capitalized development costs.

Targeted marketing

Cost of sales of our targeted marketing increased by 83.2% from RMB295.3 million in 2018 to RMB540.8 million in 2019, primarily due to an increase in our advertising traffic costs of RMB237.7 million for targeted marketing revenue recognized on a gross basis in 2019.

Gross Profit and Gross Margin

The following table sets forth a breakdown of our gross profit and gross margin by business segment for the years indicated.

	Year ended December 31,					
	2019			2018		
	Gross profit	**%**	**Gross margin**	Gross profit	%	Gross margin
	(RMB in millions, except percentages)					
SaaS products	**408.1**	**51.2**	**80.5%**	294.9	57.0	85.0%
Targeted marketing	**389.0**	**48.8**	**41.8%**	222.7	43.0	43.0%
Total	**797.1**	**100.0**	**55.5%**	517.6	100.0	59.8%

Our overall gross profit increased by 54.0% from RMB517.6 million in 2018 to RMB797.1 million in 2019, primarily due to the increase in our total revenue.

Our overall gross margin decreased from 59.8% in 2018 to 55.5% in 2019, primarily due to the increased proportion of our revenue from targeted marketing where we generally have a lower gross margin. The gross margin of our SaaS products decreased from 85.0% in 2018 to 80.5% in 2019, mainly due to an increase in research and development expenditure relating to our self-developed software for SaaS products. The gross margin of our targeted marketing slightly decreased from 43.0% in 2018 to 41.8% in 2019 primarily due to the slightly increased proportion of our revenue recognized on a gross basis where we generally have a lower gross margin.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 59.4% from RMB449.8 million in 2018 to RMB716.9 million in 2019, primarily due to the increases in (i) staff costs for our sales and marketing personnel from RMB243.0 million in 2018 to RMB399.7 million in 2019 mainly as a result of the annualization effect of the costs of our increased sales and marketing staff in the second half of 2018, (ii) contract acquisition costs for the sales of our SaaS products from RMB150.6 million in 2018 to RMB197.8 million in 2019, (iii) rental and property service expenses from RMB28.3 million in 2018 to RMB54.0 million in 2019 which was in line with our business expansion, and (iv) marketing and promotion costs from RMB17.3 million in 2018 to RMB49.2 million in 2019 due to the advertising and marketing activities relating to our IPO.

General and Administrative Expenses

Our general and administrative expenses decreased by 14.2% from RMB151.4 million in 2018 to RMB129.9 million in 2019, primarily due to our one-off share-based payment expenses of RMB23.9 million in 2018 and a decrease in one-off listing expenses by RMB8.3 million related to IPO, which was partially offset by an increase in amortization of intangible assets by RMB13.5 million.

Net Impairment Losses on Financial Assets

We had net impairment losses on financial assets of RMB6.6 million in 2019, primarily as a result of the general provision for credit loss from our trade receivables, notes receivables and other receivables.

Other Income

Our other income increased significantly from RMB16.5 million in 2018 to RMB67.4 million in 2019, primarily due to an increase of RMB2.9 million in government grants provided to us in the form of VAT refunds, an increase of RMB38.1 million in VAT input super deduction, and an interest income of RMB10.0 million from our term deposits and third parties.

Other Gains, net

Our other net gains increased slightly from RMB25.1 million in 2018 to RMB26.7 million in 2019, mainly due to the net fair value gains from our investments in (i) a SaaS company through a fund, (ii) a Hong Kong listed company, and (iii) short-term investments measured at FVPL, which were partially offset by a decrease in the net foreign exchange gain of RMB19.6 million, mainly due to a decrease in the balance of our US dollar deposits.

Operating Profit/(Loss)

As a result of the foregoing, we had an operating profit of RMB37.8 million in 2019 while we had an operating loss of RMB41.9 million in 2018.

Finance Costs

Our finance costs increased significantly from RMB5.4 million in 2018 to RMB13.2 million in 2019, primarily due to (i) an increase of RMB4.6 million in our interest expenses from our bank borrowings due to our increased bank borrowings for business expansion and (ii) the interest expenses on lease liabilities of RMB3.2 million which primarily relate to our leased office buildings.

Finance Income

Our finance income increased significantly from RMB0.3 million in 2018 to RMB1.6 million in 2019, primarily due to an increased interest income on our bank deposits, reflecting an increase in the average balance of our bank deposits in 2019.

Share of Net Profit of Associates Accounted for Using the Equity Method

We recorded share of net profit of associates accounted for using the equity method of RMB3.9 million in 2019, which represented our share of profit from two contractual funds.

Change in Fair Value of Redeemable and Convertible Preferred Shares

We recorded change in fair value of redeemable and convertible preferred shares of RMB298.3 million in 2019, primarily due to the difference between the fair value of the redeemable and convertible preferred shares immediately before their conversion into ordinary shares upon our listing and that as of December 31, 2018 based on the best estimate from market participants' perspective.

Income Tax Expense

Our income tax expense increased significantly from RMB0.6 million in 2018 to RMB17.1 million in 2019, primarily due to the increased taxable income of our subsidiaries in the PRC, resulting in the increases in both current income tax expense and deferred income tax expense by utilization of tax loss carried from the previous year.

Profit for the Year

As a result of the foregoing, we recorded a profit of RMB311.3 million in 2019 while we recorded a loss of RMB1,091.2 million in 2018.

Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net Profit/(Loss)

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted EBITDA and adjusted net profit/(loss) as additional financial measures, which are not required by, or presented in accordance with, HKFRS. We believe these non-HKFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items which our management considers non-indicative of our operating performance. We believe these measures provide useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management.

However, our presentation of adjusted EBITDA and adjusted net profit/(loss) may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under HKFRS.

The following tables reconcile our adjusted EBITDA and adjusted net profit/(loss) for the years presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS, which are operating profit/(loss) for the year and net profit/(loss) for the year:

	Year ended December 31,	
	2019	2018
	(RMB in millions)	
Reconciliation of operating profit/(loss) to EBITDA and adjusted EBITDA:		
Operating profit/(loss) for the year:	**37.8**	(41.9)
Add:		
Depreciation[(1)]	**28.9**	3.6
Amortization	**53.9**	18.4
EBITDA	**120.6**	(19.9)
Add:		
Share-based compensation	**5.6**	32.6
Listing and other one-off expenses	**41.6**	59.9
Adjusted EBITDA	**167.8**	72.6

	Year ended December 31,	
	2019	2018
	(RMB in millions)	
Reconciliation of net profit/(loss) to adjusted net profit/(loss):		
Net profit/(loss) for the year	**311.3**	(1,091.2)
Add:		
Share-based compensation	**5.6**	32.6
Listing and other one-off expenses	**41.6**	59.9
Interest expenses[(2)]	**–**	5.4
Change in fair value of redeemable and convertible preferred shares	**(298.3)**	1,043.6
Tax effects	**17.1**	0.6
Adjusted net profit/(loss)	**77.3**	50.8

Notes:

(1) As we have adopted HKFRS16 since January 1, 2019, depreciation in 2019 included depreciation of right-of-use assets of RMB21.6 million.

(2) Interests expenses are one-off interest expenses in relation to our reorganization for our IPO in 2018.

Liquidity and Financial Resources

We fund our cash requirements principally from proceeds from our business operations, bank borrowings, and shareholder equity contribution. As of December 31, 2019, we had cash and cash equivalents of RMB870.3 million and term deposit of RMB393.0 million.

As of December 31, 2019, we had a short-term bank loan of RMB300.0 million as (i) we entered into a one-year loan agreement with China CITIC Bank in June 2019 for the loan of RMB50.0 million with an interest rate of 5.87% per annum, and a ten-month loan agreement in September 2019 for the loan of RMB50.0 million with an interest rate of 5.87% per annum; (ii) we entered into a one-year loan agreement with Bank of Shanghai in June 2019 for a loan of RMB150.0 million with an interest rate of 6.09% per annum; and (iii) we entered into a three-month and a six-month loan agreement with Citibank (China) Co., Ltd. for a loan of RMB25.0 million and RMB25.0 million, respectively, with an interest rate of 5.57% per annum.

Capital Expenditures

Our capital expenditures primarily consist of expenditures for (i) fixed assets, comprising computer equipment, office furniture, vehicles and renovation of rental offices, and (ii) intangible assets, including our trademark, acquired software license and self-developed software.

The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,	
	2019	2018
	(RMB in millions)	
Fixed assets	**11.5**	11.1
Intangible assets	**124.6**	62.3
Total	**136.1**	73.5

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures and Future Plans for Material Investments or Capital Assets

There were no significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the year ended December 31, 2019. Apart from those disclosed in this announcement, there were no material investments or additions of capital assets authorised by the Board at the date of this announcement.

Pledge of Assets

As of December 31, 2019, we did not pledge any of our assets.

Foreign Exchange Risk Management

We mainly carry out our operations in the PRC with most transactions settled in Renminbi, and we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and the Hong Kong dollar. Therefore, foreign exchange risk primarily arose from our recognized assets and liabilities when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas business partners. In 2019, we did not adopt any long-term contracts, currency borrowings or other means to hedge our foreign currency exposure.

Contingent Liabilities

As of December 31, 2019, we did not have any material contingent liabilities.

Employees

As of December 31, 2019, we had 3,941 full-time employees, the majority of whom are based in Shanghai, China.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses, and other incentives.

As required under PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

As a matter of policy, we provide a robust training program for new employees that we hire. We also provide regular and specialized trainings both online and offline, tailored to the needs of our employees in different departments. In addition, we provide training curriculums tailored to new employees, current employees and management members based on their roles and skill levels, through our training center, Weimob University.

We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2019

	Note	**Year ended December 31, 2019** *RMB'000*	2018 *RMB'000*
Revenue	*4*	**1,436,787**	865,031
Cost of sales	*5*	**(639,657)**	(347,382)
Gross profit		**797,130**	517,649
Selling and distribution expenses	*5*	**(716,907)**	(449,799)
General and administrative expenses	*5*	**(129,936)**	(151,380)
Net impairment losses on financial assets		**(6,630)**	–
Other income	*6*	**67,434**	16,490
Other gains, net	*7*	**26,676**	25,148
Operating gain/(loss)		**37,767**	(41,892)
Finance costs	*8*	**(13,151)**	(5,377)
Finance income	*9*	**1,569**	254
Share of net profit of associates accounted for using the equity method		**3,941**	–
Change in fair value of redeemable and convertible preferred shares		**298,280**	(1,043,582)
Profit/(loss) before income tax		**328,406**	(1,090,597)
Income tax expense	*10*	**(17,098)**	(610)
Profit/(loss) for the year		**311,308**	(1,091,207)
Profit/(loss) attributable to:			
– Equity holders of the Company		**311,978**	(1,089,206)
– Non-controlling interests		**(670)**	(2,001)
		311,308	(1,091,207)
Other comprehensive income/(loss), net of tax			
Items that will not be subsequently reclassified to profit or loss			
– Change in fair value of financial liabilities from own credit risk		**–**	(3,483)
Total comprehensive income/(loss) for the year		**311,308**	(1,094,690)
Total comprehensive income/(loss) attributable to:			
– Equity holders of the Company		**311,978**	(1,092,689)
– Non-controlling interests		**(670)**	(2,001)
		311,308	(1,094,690)
Earnings/(loss) per share (expressed in RMB per share)			
– Basic earnings/(loss) per share	*12*	**0.15**	(1.59)
– Diluted earnings/(loss) per share	*12*	**0.01**	(1.59)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	Note	As at December 31, 2019 RMB'000	2018 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**21,024**	16,914
Right-of-use assets		**61,176**	–
Intangible assets		**138,787**	57,054
Development cost		**16,944**	27,963
Deferred income tax assets		**45,184**	59,305
Contract acquisition cost		**39,549**	63,476
Investments accounted for using the equity method		**66,441**	–
Financial assets at fair value through profit or loss		**40,885**	–
Deposits		**1,767**	–
Other non-current assets		**17,000**	9,700
Total non-current assets		**448,757**	234,412
Current assets			
Trade and notes receivables	*13*	**156,386**	79,287
Contract acquisition cost		**147,578**	130,495
Prepayments, deposits and other assets		**1,226,502**	508,968
Financial assets at fair value through profit or loss		**61,364**	–
Term deposits		**393,000**	–
Cash and cash equivalents		**870,328**	127,585
Total current assets		**2,855,158**	846,335
Total assets		**3,303,915**	1,080,747

	Note	As at December 31, 2019 RMB'000	2018 RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**1,531**	–
Treasury shares		**(63,143)**	–
Shares held for RSU scheme		**(38,582)**	–
Share premium		**4,171,056**	1,049
Other reserves		**(1,127,164)**	(1,170,341)
Accumulated losses		**(953,595)**	(1,262,090)
		1,990,103	(2,431,382)
Non-controlling interests		**(295)**	(1,154)
Total equity/(deficit)		**1,989,808**	(2,432,536)
LIABILITIES			
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss		**18,076**	2,769,905
Lease liabilities		**35,230**	–
Contract liabilities		**85,179**	130,071
Other non-current liabilities		**1,800**	–
Total non-current liabilities		**140,285**	2,899,976
Current liabilities			
Bank borrowings		**300,000**	80,000
Lease liabilities		**15,013**	–
Trade and other payables		**562,674**	270,303
Contract liabilities		**293,488**	262,792
Current income tax liabilities		**2,647**	212
Total current liabilities		**1,173,822**	613,307
Total liabilities		**1,314,107**	3,513,283
Total equity and liabilities		**3,303,915**	1,080,747

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2019

		Attributable to equity holders of the Company								
	Note	Share capital *RMB'000*	Share premium *RMB'000*	Treasury shares *RMB'000*	Shares held for RSU scheme *RMB'000*	Other reserves *RMB'000*	Accumulated losses *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
As at January 1, 2019		–*	1,049	–	–	(1,170,341)	(1,262,090)	(2,431,382)	(1,154)	(2,432,536)
Comprehensive income/(loss)										
Profit/(loss) for the year		–	–	–	–	–	311,978	311,978	(670)	311,308
Total comprehensive income/(loss) for the year		–	–	–	–	–	311,978	311,978	(670)	311,308
Transaction with owners										
Conversion of convertible redeemable preferred share into ordinary shares		–*	2,471,625	–	–	3,483	(3,483)	2,471,625	–	2,471,625
Share capitalisation		1,155	(1,155)	–	–	–	–	–	–	–
Issuance of ordinary shares		381	1,769,185	–	–	–	–	1,769,566	–	1,769,566
Share issuance costs		–	(42,550)	–	–	–	–	(42,550)	–	(42,550)
Buy-back of shares		–	–	(90,246)	–	–	–	(90,246)	–	(90,246)
Cancellation of buy-back shares		(5)	(27,098)	27,103	–	–	–	–	–	–
Contribution from a shareholder in relation to RSU Scheme Trust		–	–	–	(61,333)	61,333	–	–	–	–
Transfer of vested RSUs		–	–	–	22,751	(22,751)	–	–	–	–
Share-based compensation expenses		–	–	–	–	5,641	–	5,641	–	5,641
Acquisition of non-controlling interests		–	–	–	–	(4,529)	–	(4,529)	1,529	(3,000)
Transactions with owners in their capacity for the year		1,531	4,170,007	(63,143)	(38,582)	43,177	(3,483)	4,109,507	1,529	4,111,036
As at December 31, 2019		1,531	4,171,056	(63,143)	(38,582)	(1,127,164)	(953,595)	1,990,103	(295)	1,989,808

* The relevant amounts are all less than RMB1,000.

	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
		Attributable to equity holders of the Company						
As at January 1, 2018		–	–	(44,163)	(172,884)	(217,047)	2,303	(214,744)
Comprehensive loss								
Loss for the year		–	–	–	(1,089,026)	(1,089,026)	(2,001)	(1,091,207)
Other comprehensive loss								
– change in fair value of redeemable and convertible preferred shares from own credit risk		–	–	(3,483)	–	(3,483)	–	(3,483)
Total comprehensive loss for the year		–	–	(3,483)	(1,089,026)	(1,092,689)	(2,001)	(1,094,690)
Transaction with owners								
Issuance of ordinary shares		–*	1,049	–	–	1,049	–	1,049
Capital contribution from an investor		–	–	11,660	–	11,660	–	11,660
Deemed distribution		–	–	(1,125,614)	–	(1,125,614)	–	(1,125,614)
Share-based compensation expenses for employees		–	–	8,703	–	8,703	–	8,703
Transactions with non-controlling interests		–	–	(17,444)	–	(17,444)	(1,456)	(18,900)
Transactions with owners in their capacity for the year		–*	1,049	(1,122,695)	–	(1,121,646)	(1,456)	(1,123,102)
As at December 31, 2018		–*	1,049	(1,170,341)	(1,262,090)	(2,431,382)	(1,154)	(2,432,536)

* The relevant amounts are all less than RMB1,000.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2019

		Year ended December 31,	
		2019	2018
	Note	***RMB'000***	*RMB'000*
Cash flows from operating activities			
Cash used in operations		**(439,408)**	(258,607)
Interest received		**1,569**	254
Interest paid		**(12,964)**	(5,228)
Income tax paid		**(542)**	(42)
Net cash used in operating activities		**(451,345)**	(263,623)
Cash flows from investing activities			
Placements of term deposits		**(724,607)**	–
Receipt from term deposits		**331,607**	–
Purchase of investments measured at fair value through profit or loss (current and non-current portion)		**(84,224)**	–
Proceeds from disposals of investment measured at fair value through profit or loss (current portion)		**11,485**	–
Interest received from term deposits and third parties		**6,495**	–
Payment to invest in associates		**(62,500)**	–
Payment for acquisition of a subsidiary		**–**	(1,000)
Prepayment for equity investment		**(7,300)**	(9,700)
Purchase of property, plant and equipment		**(11,459)**	(11,114)
Proceeds from disposal of property, plant and equipment		**143**	353
Purchase of intangible assets		**(421)**	(203)
Payment for development cost		**(116,505)**	(62,134)
Loan to third parties		**(12,550)**	–
Payment to Shanghai Weimob Enterprise Co., Ltd. ("**Weimob Enterprise**")		**–**	(27,128)
Repayment from Weimob Enterprise		**2,175**	–
Net cash used in investing activities		**(667,661)**	(110,926)

	Note	Year ended December 31, 2019 RMB'000	2018 RMB'000
Cash flows from financing activities			
Capital contribution from an investor		**–**	11,660
Proceeds from issuance of ordinary shares		**1,769,566**	994
Buy-back of shares		**(90,246)**	–
Proceeds from issuance of redeemable and convertible preferred shares		**–**	1,914,518
Cash paid in connection with the Reorganisation		**–**	(1,341,225)
Deemed distribution		**–**	(95,150)
Proceeds from bank borrowings		**330,000**	105,000
Repayments of bank borrowings		**(110,000)**	(25,000)
Borrowing from related parties		**–**	190,000
Repayment to related parties		**–**	(264,103)
Borrowing from a third party		**12,500**	–
Principal elements of lease payments		**(12,510)**	–
Payment of listing expenses		**(39,423)**	(3,039)
Acquisition of equity interest from non-controlling interest		**(3,659)**	(12,820)
Consulting fee paid for financing activities		**–**	(25,390)
Net cash generated from financing activities		**1,856,228**	455,445
Net increase in cash and cash equivalents		**737,222**	80,896
Effect on exchange rate difference		**5,521**	25,160
Cash and cash equivalents at beginning of the year		**127,585**	21,529
Cash and cash equivalents at end of the year		**870,328**	127,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

Weimob Inc. (the "Company") was incorporated in the Cayman Islands on January 30, 2018 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 P. O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the "Group") are principally engaged in providing a leading cloud-based commerce and marketing solutions for small and medium businesses in People's Republic of China (the "PRC"). The Group offers a wide variety of commerce and marketing solutions to merchants through its software as a service ("SaaS") products offerings and targeted marketing services, collectedly referred to as the "Listing Business" or "B2B Business". Mr. Sun Taoyong ("Mr. Sun"), Mr. You Fengchun ("Mr. You"), Mr. Fang Tongshu ("Mr. Fang") (collectively, the "Substantial Shareholders Group"), who are parties acting in concert in the Group with each other throughout the years ended December 31, 2018 and 2019.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since January 15, 2019 (the "Listing").

These consolidated financial statements are presented in Renminbi ("RMB") unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 17, 2020.

1.2 History and reorganisation of the Group

Prior to the incorporation of the Company and the completion of the reorganisation as discussed below, the Listing Business was mainly operated by Weimob Enterprise, Shanghai Weimob Enterprise Development Co., Ltd. ("Weimob Development") and its PRC subsidiaries (collectively, the "Operating Companies"). Weimob Development was also engaged in the e-commerce business (the "Excluded Business" or "Non-B2B Business") before September 2016.

For the purpose of preparing for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Group underwent a group reorganisation (the "Reorganisation") pursuant to which the Listing Business were transferred to the Company. The Reorganisation involved the followings:

(i) In September 2016, Weimob Enterprise transferred the Listing Business to Weimob Development and Weimob Development transferred all of the Excluded Business to Shanghai Mengdian Information Technology Co., Ltd. ("Mengdian"), a wholly-owned subsidiary of Weimob Enterprise (the "Business Transfer"). Upon the completion of the Business Transfer, the Listing Business was no longer operated by Weimob Enterprise and was mainly operated by Weimob Development and its PRC subsidiaries and the Excluded Business has been transferred out of the Group.

(ii) On January 30, 2018, the Company was incorporated in the Cayman Islands with one share being allotted and issued to the initial subscriber. On the same date, the subscriber share of the Company was transferred at par value of US$0.0001 to Jeff.Fang Holding Limited ("Fang SPV"), which is a special purpose vehicle wholly-owned by Mr. Fang. Between January 30, 2018 to June 30, 2018, 78,328 Shares, 14,203 Shares, 4,444 Shares and 3,025 Shares of the Company were further allotted and issued, all at par value to Yomi.sun Holding Limited ("Sun SPV"), Alter.You Holding Limited ("You SPV"), Fang SPV and Shunfeng.li Holding Limited ("Li SPV").

(iii) On February 7, 2018, Weimob Holding Limited ("Weimob Holding") was incorporated in the British Virgin Islands and wholly-owned by the Company.

(iv) On March 6, 2018, Weimob Technology HK Limited ("Weimob HK") was incorporated in Hong Kong and wholly-owned by Weimob Holding.

(v) On April 23, 2018, Weimob HK entered into a sale and purchase agreement with Weimob Enterprise, pursuant to which Weimob HK acquired 52.95% equity interest in Weimob Development from Weimob Enterprise at a consideration of RMB291,225,000. Immediately upon completion of the acquisition, Weimob HK and Weimob Enterprise held 52.95% and 21.05% of the equity interest of Weimob Development respectively and Weimob Development became a subsidiary of Weimob HK.

(vi) Between May 21, 2018 and July 16, 2018, Weimob HK entered into a series of sale and purchase agreements and share subscription agreements with the remaining shareholders of Weimob Development and Weimob Development respectively, pursuant to which Weimob HK acquired all of the remaining 47.05% equity interest of Weimob Development for a total consideration, in aggregate, of RMB1,200,000,000, among which RMB1,050,000,000 was paid to the remaining shareholders and RMB150,000,000 was injected into Weimob Development. Upon the completion of the acquisition, Weimob Development is wholly-owned by Weimob HK.

Upon completion of the Reorganisation, the Company became the ultimate holding company of the companies now comprising the Group.

1.3 Basis of presentation

Pursuant to the Group Reorgnisation, the Company became the ultimated holding company of the companies now comprising the Group. The consolidated financial statements of the Group have been prepared as if the Group has always been in the existence throughout both years presented, or since the respective dates of incorporation or establishment of the group companies, rather than from the date when the Company became the holding company pursuant to the Reorgnisation.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed.

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2019:

- HKFRS 16 Leases
- Prepayment Features with Negative Compensation – Amendments to HKFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to HKAS 28
- Annual Improvements to HKFRS Standards 2015 – 2017 Cycle
- Plan Amendment, Curtailment or Settlement – Amendments to HKAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on January 1, 2019. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on January 1, 2019 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Amendments to HKAS 1 and HKAS 8	Definition of Material	January 1, 2020
Amendments to HKFRS 3	Definition of a Business	January 1, 2020
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting	January 1, 2020
HKFRS 17	Insurance contracts	January 1, 2021

The Group has already commenced an assessment of the likely impact of adopting the above new standards but is not yet in a position to state whether they will have a significant impact on the reporting results of operations and financial position. The management of the Group plans to adopt these new standards and amendments to existing standards when they become effective.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in the provision of SaaS products and targeted marketing services in the PRC. The executive directors of the Company review the operating results of SaaS products and targeted marketing service separately, which the Group operates under to make decisions about resources to be allocated. Therefore the Group has the following two reporting segments: (i) SaaS products; (ii) targeted marketing service.

The CODM assesses the performance of the operating segments mainly based on segment revenues and segment gross profit. The revenues from external customers reported to CODM are measured as segment revenues, which are the revenues derived from the customers in each segment. The segment gross profit is calculated as segment revenue minus segment cost of sales. Cost of sales for SaaS products segment primarily comprised of employee benefit expenses and other direct services costs. Cost of sales for targeted marketing segment primarily comprised of traffic purchase cost.

As at December 31, 2018 and 2019, substantially all of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the consolidated financial statements. There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

	SaaS products *RMB'000*	**Targeted marketing** *RMB'000*	**Total** *RMB'000*
Year ended December 31, 2019			
Segment revenue	**506,959**	**929,828**	**1,436,787**
Segment cost of sales	**(98,856)**	**(540,801)**	**(639,657)**
Gross profit	**408,103**	**389,027**	**797,130**
Year ended December 31, 2018			
Segment revenue	347,067	517,964	865,031
Segment cost of sales	(52,131)	(295,251)	(347,382)
Gross profit	294,936	222,713	517,649

4 REVENUE

Revenue mainly comprises of proceeds from providing SaaS products and targeted marketing related service. An analysis of the Group's revenue by category for the years ended December 31, 2018 and 2019, is as follows:

	Year ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
SaaS products	**506,959**	347,067
Targeted marketing		
– Gross method	**571,382**	316,508
– Net method	**358,446**	201,456
	929,828	517,964
	1,436,787	865,031

5 EXPENSES BY NATURE

	Year ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
Advertising traffic cost for targeted marketing revenue	**524,207**	286,503
Employee benefits expenses	**486,643**	322,288
Promotion and advertising expenses	**247,050**	168,118
Depreciation and amortisation	**61,187**	22,026
Utilities and office expenses	**45,131**	40,562
Server and SMS charges related to SaaS revenue	**31,721**	11,618
Depreciation of right-of-use assets	**21,640**	–
Listing expenses	**18,958**	27,297
Contract operation services costs for SaaS revenue	**13,272**	6,913
Travelling and entertainment expenses	**10,994**	4,943
Taxes and surcharges	**6,790**	4,975
Other consulting fees	**6,013**	25,390
Auditors' remuneration	**5,405**	196
Share-based compensation expenses - non employee *(i)*	**–**	17,534
Others	**7,489**	10,198
	1,486,500	948,561

(i) As part of the Reorganisation, one investor acquired 1% equity share of Weimob Development in April 2018 for cash consideration of RMB466,000. The fair value of the equity share issued as of the share issuance date exceeded the cash consideration received and the difference of RMB17,534,000, thereof was charged into the consolidated statement of comprehensive income for the year ended December 31, 2018 given no vesting condition exists.

6 OTHER INCOME

	Year ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
Super deduction of input tax	**38,083**	–
Government grants *(i)*	**19,364**	16,490
Interest income from term deposits and third parties	**9,987**	–
	67,434	16,490

(i) Government grants mainly represent value-added tax ("VAT") refund entitlement since June 2017.

7 OTHER GAINS, NET

	Year ended December 31, 2019 RMB'000	2018 RMB'000
Fair value change of listed equity security investment	**12,140**	–
Fair value change of non-current financial assets related to the fund	**10,885**	–
Foreign exchange gain, net	**8,745**	28,390
Fair value gains from short-term investments measured at FVPL	**1,485**	–
Bank charges	**(780)**	(650)
Fair value change of non-current financial liabilities related to the fund	**(5,576)**	–
Others, net	**(223)**	(2,592)
	26,676	25,148

8 FINANCE COSTS

	Year ended December 31, 2019 RMB'000	2018 RMB'000
Interest expenses on borrowings	**9,955**	5,377
Interest expenses on lease liabilities	**3,196**	–
	13,151	5,377

9 FINANCE INCOME

	Year ended December 31, 2019 RMB'000	2018 RMB'000
Interest income on bank deposits held for cash management purpose	**1,569**	254

10 TAXATION

(a) Value-added tax

The Group is mainly subject to 6% and 13% VAT, and surcharges on VAT payments according to PRC tax law.

(b) Income tax

(i) Cayman Islands Income Tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(ii) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax for the year ended December 31, 2019.

(iii) ***PRC Enterprise Income Tax***

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The general corporate income tax rate in PRC is 25%. Weimob Development in the PRC was approved as High and New Technology Enterprise, and is subject to a preferential income tax rate of 15% from 2017 to 2020.

(iv) ***PRC withholding Tax***

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

	Year ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
Current tax	**2,977**	212
Deferred income tax	**14,121**	398
Income tax expense	**17,098**	610

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended December 31, 2018 and 2019, being the tax rate of the major subsidiaries of the Group.

11 DIVIDENDS

No dividends have been paid or declared by the Company for the years ended December 31, 2018 and 2019.

12 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share for the years ended December 31, 2018 and 2019 are calculated by dividing the profit/(loss) attribute to the Company's equity holders by the weighted average number of ordinary shares and ordinary shares deemed to be in issue during the respective years. For the year ended December 31, 2018, the number of ordinary shares for the purpose of calculating basic earnings/(loss) per share has been retrospectively adjusted for the capitalization issue of 684,478,077 shares of the Company completed on January 15, 2019.

	Year ended December 31,	
	2019	2018
Net profit/(loss) attributable to the equity holders of the Company (RMB'000)	**311,978**	(1,089,206)
Weighted average numbers of ordinary shares in issue	**2,046,727,879**	684,615,000
Basic earnings/(loss) per share (expressed in RMB per share)	**0.15**	(1.59)

(b) Diluted

Diluted profit/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended December 31, 2019, redeemable and convertible preferred shares issued by the Company and restricted stock units ("RSUs") granted to employees are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share from their date of issue. For the RSUs, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding RSUs. The RSUs are assumed to have been fully vested and released from restrictions with no impact on earnings.

As the Group incurred losses for year ended December 31, 2018, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for year ended December 31, 2018 was the same as basic loss per share of the respective period.

	Year ended December 31,	
	2019	2018
Net profit/(loss) attributable to the equity holders of the Company (RMB'000)	**311,978**	(1,089,206)
Impact of change in fair value of redeemable and convertible preferred shares (RMB'000)	**(298,280)**	–
Net profit/(loss) used to determine earnings per share (RMB'000)	**13,698**	(1,089,206)
Weighted average number of ordinary shares in issue	**2,046,727,879**	684,615,000
Adjustments for redeemable and convertible preferred shares	**39,316,603**	–
Adjustments for RSUs	**18,205,214**	–
Weighted average number of ordinary shares for diluted earnings per share	**2,104,249,696**	684,615,000
Diluted earnings/(loss) per share (expressed in RMB per share)	**0.01**	(1.59)

13 TRADE AND NOTES RECEIVABLES

	As at December 31,	
	2019	2018
	RMB'000	*RMB'000*
Trade receivables	**153,242**	66,175
Notes receivables	**4,317**	13,112
Less: provision for impairment of trade and notes receivables	**(1,173)**	–
	156,386	79,287

Beginning from January 1, 2018, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade and notes receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Aging analysis of the trade and notes receivables as at December 31, 2018 and 2019, based on date of recognition, is as follows:

	As at December 31	
	2019	2018
	RMB'000	*RMB'000*
0 – 90 days	**156,261**	79,287
90 – 180 days	**77**	–
over 180 days	**48**	–

As at December 31, 2018 and 2019, the carrying amounts of trade and notes receivables were primarily denominated in RMB and approximated their fair values at each of the reporting dates.

14 TRADE AND OTHER PAYABLES

As at December 31, 2018 and 2019, the aging of the trade payables are all within 3 months.

USE OF PROCEEDS FROM LISTING AND TOP-UP PLACING

The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on January 15, 2019 (the "**Listing Date**"), net proceeds from the global offering after deducting underwriting fees and commissions and relevant expenses payable by the Company amounted to approximately HK$758.2 million. As of December 31, 2019, the Group had utilized:

- Approximately HK$202.3 million for enhancing research and development capabilities and improving technology infrastructure;
- Approximately HK$152.7 million for strategic investments;
- Approximately HK$101.7 million for investments in advertising and digital marketing, hotline sales center, and channel partner recruiting;
- Approximately HK$75.5 million for purchasing social media advertising traffic for targeted marketing business;
- Approximately HK$69.7 million for expanding the Marketing and Sales Clouds product offerings and the sales channels; and
- Approximately HK$37.3 million for working capital and general corporate use.

The Company will use the remaining proceeds for the purpose as disclosed in the prospectus of the Company dated December 31, 2018 (the "**Prospectus**") and following the expected implementation timetable as disclosed in the Prospectus.

In August 2019, the Company completed the top-up placing of 255,000,000 new shares and raised net proceeds of approximately HK$1,157.1 million. As of December 31, 2019, the Company has not utilized such proceeds. The Company will apply the net proceeds for the purposes as disclosed in the announcement of the Company dated July 26, 2019.

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended December 31, 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from May 8, 2020 to May 13, 2020, both days inclusive, in order to determine the identity of the shareholders of the Company who are entitled to attend the forthcoming annual general meeting of the Company to be held on May 13, 2020 (the "**AGM**"), during which period no share transfers will be registered. To be eligible to attend the AGM, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on May 12, 2020.

CORPORATE GOVERNANCE

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and enhance its value and accountability. Since the shares of the Company were listed on the Main Board of the Stock Exchange on January 15, 2019, the Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

During the year ended December 31, 2019, the Company has complied with all the applicable code provisions under the Corporate Governance Code with the exception for the deviation from code provision A.2.1 of the Corporate Governance Code.

Code provision A.2.1 of the Corporate Governance Code requires that the roles of chairman of the board of directors and chief executive officer should be separate and should not be performed by the same individual. Mr. SUN Taoyong is the Chairman of the Board and chief executive officer of the Company. Throughout the business history of the Company, Mr. SUN Taoyong has been the key leadership figure of the Group, who has been primarily involved in the strategic development, overall operational management and major decision making of the Group. Taking into account the continuation of the implementation of the Company's business plans, the Directors consider that at the current stage of development of the Group, vesting the roles of both Chairman and the chief executive officer in Mr. SUN Taoyong is beneficial to and in the interests of the Company and its shareholders as a whole. The Board will review the current structure from time to time and shall make necessary changes when appropriate and inform the shareholders of the Company accordingly.

The Group will continue to review and monitor its corporate governance practices in order to ensure the compliance with the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that he has complied with the required standards as set out in the Model Code during the year ended December 31, 2019.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended December 31, 2019, the Company has repurchased a total of 27,989,000 shares on the Stock Exchange with an aggregate amount of HK$100,250,050. As at the date of this announcement, 7,993,000 repurchased shares were cancelled on November 20, 2019, and 19,996,000 repurchased shares were cancelled on January 13, 2020. Details of shares repurchased during the year ended December 31, 2019 are set out as follows:

Month of repurchases	Number of shares purchased on the Stock Exchange	Price paid per share		Aggregate consideration paid
		Highest	Lowest	
		(HK$)	*(HK$)*	*(HK$)*
October 2019	7,993,000	3.96	3.53	29,981,530
November 2019	16,783,000	3.85	3.20	60,111,660
December 2019	3,213,000	3.28	3.08	10,156,860

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended December 31, 2019.

AUDIT COMMITTEE

The Board has established the Audit Committee (the "**Audit Committee**"), comprising of three independent non-executive Directors, namely, Mr. TANG Wei (Chairman), Mr. SUN Mingchun and Mr. LI Xufu. The primary duties of the Audit Committee are to review and supervise our Company's financial reporting process, risk management and internal controls.

The Audit Committee has, together with the senior management of the Company and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group as well as the audited consolidated financial statements of the Group for the year ended December 31, 2019.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of comprehensive income and consolidated statement of financial position and the related notes thereto for the year ended December 31, 2019 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

PUBLICATION OF ANNUAL RESULTS AND 2019 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.weimob.com). The annual report of the Company for the year ended December 31, 2019 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the above websites in due course.

By Order of the Board
Weimob Inc.
SUN Taoyong
Chairman of the Board and Chief Executive Officer

Shanghai, the PRC
March 17, 2020

As at the date of this announcement, the Board comprises Mr. SUN Taoyong, Mr. FANG Tongshu, Mr. YOU Fengchun and Mr. HUANG Junwei as executive Directors; and Mr. SUN Mingchun, Mr. LI Xufu and Mr. TANG Wei as independent non-executive Directors.

* *For identification purpose only*