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Vobile Group Limited

阜博集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3738)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

FINANCIAL HIGHLIGHTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income Highlights

	2020 <i>US\$'000</i>	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>US\$'000</i> (Restated)	2019 <i>HK\$'000</i> (Unaudited)
Revenue	43,874	340,024	18,781	145,553
Gross profit	21,347	165,439	13,452	104,253
Profit/(loss) before tax	8,667	67,169	(8,081)	(62,628)
Profit/(loss) for the year attributable to owners of the Company	10,479	81,212	(6,210)	(48,128)
Non-IFRS Adjusted EBITDA	<u>2,624</u>	<u>20,336</u>	<u>(1,276)</u>	<u>(9,889)</u>

Consolidated Statement of Financial Position Highlights

	2020 <i>US\$'000</i>	December 31, 2020 <i>HK\$'000</i> (Unaudited)	2019 <i>US\$'000</i> (Restated)	2019 <i>HK\$'000</i> (Unaudited)
Total assets	148,795	1,153,161	115,951	898,620
Total liabilities	47,038	364,545	80,854	626,618
Net assets	101,757	788,617	35,097	272,002
Total equity	<u>101,757</u>	<u>788,617</u>	<u>35,097</u>	<u>272,002</u>

Solely for convenience, this announcement contains translations of certain amounts denominated in USD into HKD. Unless otherwise specified, the translation of USD into HKD is based on the rate of US\$1.00: HK\$7.75.

No representation is made that any amounts in USD or HKD can be or could have been at the relevant dates converted at the above rates or any other rate or at all.

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2020, together with the comparative figures for the year ended December 31, 2019 as set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2020

	<i>Notes</i>	2020 <i>US\$'000</i>	2019 <i>US\$'000</i> (Restated)
REVENUE	4	43,874	18,781
Cost of services provided		<u>(22,527)</u>	<u>(5,329)</u>
Gross profit		21,347	13,452
Other income and gains	4	18,377	328
Selling and marketing expenses		(9,638)	(7,498)
Administrative expenses		(7,505)	(11,071)
Research and development expenses		(6,768)	(2,501)
Finance costs	6	(6,473)	(649)
Other expenses		<u>(673)</u>	<u>(142)</u>
PROFIT/(LOSS) BEFORE TAX	5	8,667	(8,081)
Income tax credit	7	<u>1,812</u>	<u>1,871</u>
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>10,479</u>	<u>(6,210)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>465</u>	<u>(115)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		<u>465</u>	<u>(115)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>10,944</u>	<u>(6,325)</u>
EARNINGS/(LOSS) PER SHARE			
Basic, profit/(loss) for the year attributable to ordinary equity holders of the Company (US cents)	9	<u>2.44</u>	<u>(1.46)</u>
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the Company (US cents)	9	<u>2.37</u>	<u>(1.46)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

	<i>Notes</i>	2020 <i>US\$'000</i>	2019 <i>US\$'000</i> (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		198	378
Right-of-use assets		2,892	1,017
Other intangible assets		10,468	9,364
Goodwill		77,887	77,887
Deferred tax assets		8,029	4,265
Prepayments		154	37
Total non-current assets		<u>99,628</u>	<u>92,948</u>
CURRENT ASSETS			
Trade receivables	10	8,967	13,743
Prepayments, other receivables and other assets		6,184	4,080
Tax recoverable		174	355
Cash and cash equivalents		33,842	4,825
Total current assets		<u>49,167</u>	<u>23,003</u>
CURRENT LIABILITIES			
Trade payables	11	6,574	5,695
Other payables and accruals		4,991	6,306
Interest-bearing borrowings		—	1,500
Lease liabilities		1,047	753
Total current liabilities		<u>12,612</u>	<u>14,254</u>
NET CURRENT ASSETS		<u>36,555</u>	<u>8,749</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>136,183</u>	<u>101,697</u>
NON-CURRENT LIABILITIES			
Convertible bonds	12	10,703	—
Interest-bearing borrowings		20,000	48,500
Lease liabilities		1,915	240
Deferred tax liabilities		1,808	—
Other liabilities		—	17,860
Total non-current liabilities		<u>34,426</u>	<u>66,600</u>
Net assets		<u>101,757</u>	<u>35,097</u>
EQUITY			
Share capital	13	46	42
Treasury shares		(2,815)	(2,558)
Equity component of convertible bonds		1,496	—
Reserves		103,030	37,613
Total equity		<u>101,757</u>	<u>35,097</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on July 28, 2016 under the Companies Law, Chapter 22 of the Cayman Islands. The registered address of the office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Group was principally engaged in providing Software as a Service (“SaaS”).

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”) and International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in United States dollars (“US\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year’s financial statements.

Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Amendment to IFRS 16	Covid-19-Related Rent Concessions (early adopted)
Amendments to IAS 1 and IAS 8	Definition of Material

The new and revised standards are not relevant to the preparation of the Group’s financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in the financial statements:

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i> ²
Amendments to IFRS 9, IAS 39 and IFRS 7 IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform — Phase 2</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 1	<i>Disclosure of Accounting Policies</i> ³
Amendments to IAS 8	<i>Definition of Accounting Estimates</i> ³
IFRS 17	<i>Insurance Contracts</i> ³
Amendments to IFRS 17	<i>Insurance Contracts</i> ^{3, 5}
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> ³
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i> ²
Amendments to IAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i> ²
<i>Annual Improvements to IFRSs 2018–2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 ²

¹ Effective for annual periods beginning on or after January 1, 2021

² Effective for annual periods beginning on or after January 1, 2022

³ Effective for annual periods beginning on or after January 1, 2023

⁴ No mandatory effective date yet determined but available for adoption

⁵ As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before January 1, 2023

The directors of the Group considered that the application of the above issued but not yet effective IFRSs will not have a material impact on the Group's consolidated financial results.

2.4 PRIOR YEAR RESTATEMENT

2.4.1 Restatement of prior years' financial statements as a result of finalized purchase price allocation of the acquisition of the Acquired Business from ZEFR, Inc.

In November 2019, the Group acquired the Acquired Business from ZEFR, Inc. The assessment of the fair values of the identifiable assets and liabilities of the Acquired Business was still undergoing and the information of the fair values of the identifiable assets and liabilities was provisional as at December 31, 2019.

During the year, the Group finalized the assessment of the identifiable assets and liabilities of the Acquired Business and the Group retrospectively adjusted the provisional amounts at the acquisition date to reflect new information obtained about the facts and circumstances that existed at the acquisition date.

The comparative information as at December 31, 2019 and comparative information for the year ended December 31, 2019 have been restated in the consolidated statements.

2.4.2 Quantitative impact on the consolidated financial statements

i. Restated consolidated statement of comprehensive income for the year ended December 31, 2019

	As previously reported <i>US\$'000</i>	Effect of prior year adjustments <i>US\$'000</i>	As restated <i>US\$'000</i>
Selling and marketing expenses	7,456	42	7,498
Administrative expenses	11,093	(22)	11,071
Total comprehensive loss for the year	<u>6,190</u>	<u>20</u>	<u>6,210</u>

ii. Restated consolidated statement of financial position as at December 31, 2019

	As previously reported <i>US\$'000</i>	Effect of prior year adjustments <i>US\$'000</i>	As restated <i>US\$'000</i>
Non-current assets			
Goodwill	78,921	(1,034)	77,887
Other intangible assets	<u>8,350</u>	<u>1,014</u>	<u>9,364</u>

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group had only one reportable operating segment, which was offering SaaS to help content owners protect their content from unauthorized use, measure the viewership of their content, and monetize their content during the year. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
United States	41,278	17,353
Japan	1,039	1,250
Mainland China	1,472	158
Others	<u>85</u>	<u>20</u>
	<u>43,874</u>	<u>18,781</u>

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

Majority of significant non-current assets of the Group are located in the United States. Accordingly, no geographical information of segment assets is presented.

Information about major customers

Revenue derived from sales to major customers, including sales to group of entities which are known to be under common control with those customers, which accounted for 10% or more of the Group's revenue for the year ended December 31, 2020 is as follows:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Customer A	7,152	742
Customer B	6,431	1,762
Customer C	<u>5,894</u>	<u>666</u>

During the year ended December 31, 2019, there was no customer with whom transactions exceeded 10% of the Group's revenue.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the value of services rendered during the year.

An analysis of revenue and other income and gains is as follows:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
<i>Revenue from contracts with customers</i>		
Rendering of services	<u>43,874</u>	<u>18,781</u>

Revenue from contracts with customers

(i) *Disaggregated revenue information*

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Timing of revenue recognition		
Services transferred overtime	<u>43,874</u>	<u>18,781</u>

The following table shows the amounts of revenue recognized in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognized from performance obligations satisfied in previous periods:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Revenue recognized that was included in contract liabilities at the beginning of the reporting period:		
Rendering of services	<u>526</u>	<u>520</u>
(ii) Performance obligations		

Information about the Group's performance obligations is summarized below:

Rendering of services

The performance obligation is satisfied over time as services are rendered and advance payments are sometimes received for certain services. For other SaaS services, payment is generally due within 30 days.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31 are as follows:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Within one year	<u>51</u>	<u>526</u>
Other income and gains		
Fair value gain on other liabilities measured at FVTPL*	17,860	—
Bank interest income	27	119
Foreign exchange gains	382	99
Others	<u>108</u>	<u>110</u>
	<u>18,377</u>	<u>328</u>

* As of December 31, 2019, the fair value of contingent consideration payable was US\$17,860,000. As the Acquired Business did not meet the earn-out criteria specified in the asset purchase agreement, the Company trued down the fair value of the contingent consideration payable accordingly.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i> (Restated)
Cost of services provided	22,527	5,329
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	10,649	6,945
Equity-settled share compensation expense	3,071	45
Other benefits	310	484
Pension scheme contributions	<u>19</u>	<u>15</u>
	14,049	7,489
Depreciation of items of property, plant and equipment	180	305
Depreciation of right-of-use assets	1,382	940
Amortization of other intangible assets	731	89
Lease payments not included in the measurement of lease liabilities	364	559
(Reversal)/impairment of trade receivables, net	(31)	3
Research and development expenses	6,768	2,501
Auditor's remuneration	316	293
Bank interest income	(27)	(119)
Foreign exchange differences, net	<u>(74)</u>	<u>(18)</u>

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Interest on other borrowings (including convertible bonds)	6,363	611
Nominal interest on lease liabilities	<u>110</u>	<u>38</u>
	<u>6,473</u>	<u>649</u>

7. INCOME TAX CREDIT

Income tax consists primarily of the United States, Mainland China, Hong Kong and Japan enterprise income tax charged on the Group. United States income tax applicable to the Group is charged at the federal tax rate of 21% (2019: 21%) for the year ended December 31, 2020. The income tax applicable to Hong Kong profits was provided at a statutory tax rate of 16.5% during the year ended December 31, 2020. The income tax applicable to Mainland China profits was provided at a statutory tax rate of 25% during the year ended December 31, 2020. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The major components of income tax credit for the year are as follows:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Current — United States		
Charge for the year	4	4
Current — Mainland China		
Charge for the year	136	—
Current — Hong Kong		
Charge for the year	1	—
Current — Japan		
Charge for the year	3	14
Deferred tax expenses — Others	<u>(1,956)</u>	<u>(1,889)</u>
Total tax credit for the year	<u><u>(1,812)</u></u>	<u><u>(1,871)</u></u>

8. DIVIDENDS

The Board does not recommend payment of any dividend for the year ended December 31, 2020 (2019: Nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 428,634,022 (2019: 424,874,536) in issue during the year, as adjusted to reflect the share allotment for consideration settlement, issue of shares and exercise of share options during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended December 31, 2020 and 2019 in respect of a dilution as the impact of the share option scheme and convertible bonds outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

The calculations of profit/(loss) per share attributable to ordinary equity holders of the Company for each of the years ended December 31, 2020 and 2019 are based on the following data:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i> (Restated)
Profit/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	10,479	(6,210)
Interest on convertible bonds	<u>935</u>	<u>—</u>
Profit/(loss) attributable to ordinary equity holders of the Company before interest on convertible bond	<u><u>11,414</u></u>	<u><u>(6,210)</u></u>
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	<u><u>428,634,022</u></u>	<u><u>424,874,536</u></u>
Effect of dilution — Weighted average number of ordinary shares:		
Share options	14,027,942	9,567,595
Convertible bonds	<u>17,720,228</u>	<u>—</u>
	<u><u>460,382,192*</u></u>	<u><u>434,442,131**</u></u>

* Because the diluted earnings per share amount is increased when taking convertible bonds into account, the convertible bond had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts are based on the profit for the year of US\$10,479,000, and the weighted average number of ordinary shares of 442,661,964 in issue during the year which is excluded from the interest on the convertible bonds of US\$935,000 and the weighted average number of ordinary shares of 17,720,228 from convertible bonds.

** because the diluted loss per share amount is increased when taking share options into account, the share options had an anti-dilutive effect on the basic loss per share for the year and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts was based on the loss for the year of US\$6,210,000, and the weighted average number of ordinary shares of 424,874,536 in issue during the year.

10. TRADE RECEIVABLES

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Trade receivables	8,974	13,781
Impairment	<u>(7)</u>	<u>(38)</u>
	<u><u>8,967</u></u>	<u><u>13,743</u></u>

The Group's trading terms with its debtors are usually 10 to 60 days. The Group always recognizes lifetime expected credit losses ("ECL") for all trade receivables and measures the lifetime ECL on a specific basis according to management's assessment of the recoverability of an individual receivable. Management considers the number of days that an individual receivable is outstanding, historical experience and forward-looking information to determine the recoverability of the trade receivable. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are unsecured and non-interest-bearing.

An ageing analysis of the current trade receivables as at December 31, 2020, based on the invoice date and net of loss allowance, is as follows:

	2020	2019
	<i>US\$'000</i>	<i>US\$'000</i>
Within 90 days	7,270	9,655
91 to 180 days	1,053	1,110
181 to 365 days	457	818
Over 365 days	187	2,160
	<u>8,967</u>	<u>13,743</u>

The movements in loss allowance for impairment of trade receivables are as follows:

	2020	2019
	<i>US\$'000</i>	<i>US\$'000</i>
At beginning of year	38	35
(Reversal)/impairment of trade receivables, net	(31)	3
At end of year	<u>7</u>	<u>38</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at December 31, 2020

	Current	Past due			Total
		Less than 3 months	3 to 6 months	Over 6 months	
Expected credit loss rate	0.02%	0.04%	0.42%	0.62%	0.08%
Gross carrying amount (US\$'000)	5,351	2,739	240	644	8,974
Expected credit losses (US\$'000)	1	1	1	4	7

As at December 31, 2019

	Current	Past due			Total
		Less than 3 months	3 to 6 months	Over 6 months	
Expected credit loss rate	0.01%	0.05%	0.3%	1.1%	0.3%
Gross carrying amount (US\$'000)	7,134	2,729	925	2,993	13,781
Expected credit losses (US\$'000)	1	1	3	33	38

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020 US\$'000	2019 US\$'000
Within 90 days	6,016	5,579
90 to 180 days	270	116
Over 180 days	<u>288</u>	<u>—</u>
	<u>6,574</u>	<u>5,695</u>

The trade payables are non-interest-bearing and are normally settled on 30 to 90 day terms.

12. CONVERTIBLE BONDS

On July 14, 2020, the Company issued two series of convertible bonds in the aggregate principal amount of HK\$100,000,000 to Poly Platinum Enterprises Limited, an investment holding company incorporated in British Virgin Islands with limited liability and a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP. The Series One Convertible Bonds with principal amount of HK\$80,000,000 have an initial conversion price of HK\$2.58 per Share. The Series Two Convertible Bonds with principal amount of HK\$20,000,000 have an initial conversion price of HK\$2.80 per Share. Both Series One Convertible Bonds and Series Two Convertible Bonds are convertible into Shares of the Company. The convertible bonds bear simple interest on their outstanding principal amount at the rate of 5% per annum, payable semi-annually in arrears, and will mature on the two years from the issue date.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bonds issued during the year have been split into the liability and equity components as follows:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Nominal value of convertible bonds issued during the year	12,769	—
Equity component	(1,496)	—
Direct transaction costs attributable to the liability component	<u>(1,184)</u>	<u>—</u>
Liability component at the issuance date	10,089	—
Interest expense	<u>614</u>	<u>—</u>
Liability component at December 31	<u><u>10,703</u></u>	<u><u>—</u></u>

13. SHARE CAPITAL

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Issued and fully paid (US\$0.0001 per share):		
459,104,556 ordinary shares (2019: 424,874,536)	<u>46</u>	<u>42</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital <i>US\$'000</i>	Treasury shares <i>US\$'000</i>
At January 1, 2019	424,874,536	42	—
Shares repurchased for share award scheme	<u>—</u>	<u>—</u>	<u>(2,558)</u>
At December 31, 2019 and January 1, 2020	424,874,536	42	(2,558)
Shares repurchased for share award scheme	—	—	(257)
Share allotment for consideration settlement (a)	5,214,953	1	—
Exercise of share options (b)	113,333	—	—
Issue of shares (c)	<u>28,901,734</u>	<u>3</u>	<u>—</u>
At December 31, 2020	<u><u>459,104,556</u></u>	<u><u>46</u></u>	<u><u>(2,815)</u></u>

Notes:

- (a) On June 30, 2020, the Group issued 5,214,953 shares by share allotment for consideration settlement at a price of HK\$2.14 per share.
- (b) The subscription rights attaching to 113,333 share options were exercised at the subscription price of US\$0.125 per share (note 27), resulting in the issue of 113,333 shares for a total cash consideration, before expenses, of US\$14,000. An amount of US\$14,000 was transferred from the share option reserve to share capital and share premium upon the exercise of the share options.
- (c) On December 29, 2020 the Company completed the allotment and issuance of 28,901,734 Shares to Antfin (Hong Kong) Holding Limited, an indirect wholly-owned subsidiary of Ant Group Co., Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND PROSPECTS

Our mission remains to “Enable content owners and rightsholders to unleash the full potential of Direct-to-Consumer (“DTC”) entertainment business in the new era”.

The outbreak of COVID-19 has brought unprecedented challenges to all of us. During times of crisis, we have responded quickly to adapt our business operations according to local government policies and guidelines in each of the cities where we have offices and employees. We are pleased to have ensured our business continuity in spite of travel restrictions and working from home. The pandemic has accelerated the ongoing shift to the consumption of content via DTC distribution.

Our proprietary SaaS platforms help our content rightsholder clients reduce revenue loss from infringement and increase revenue growth via online and mobile distribution. During 2020, we completed the integration of the Rights ID and Channel ID businesses acquired from ZEFR, Inc. As a result, we now own and operate the market-leading content monetization platform on YouTube and Facebook. This has significantly expanded the size and scope of our business and has helped to broaden both our sources of revenue and our customer base. In addition to our existing strong customer base of film studios, television networks and other premium video content rightsholders, we now serve a broader sets of content owners whose Intellectual Property (“IP”) assets are featured on the social media platforms, including YouTube, Facebook, Instagram and SoundCloud.

We have an extensive technology portfolio and have continued to strengthen our technology capabilities through internal development and acquisitions of patents and technologies, such as the video watermarking patents and software from Verance Corporation.

We accelerated the expansion of our business in China and entered into strategic cooperation agreements with three leading industry participants:

- We entered into a business cooperation agreement with Ant Group Co., Ltd. We will be the online video and audio content protection technology supplier for a digital copyright service platform operated by AntChain and will provide online copyright management and monetization services for the platform overseas. In addition, we will jointly explore the establishment of a global, decentralized copyright distribution and transaction platform.
- We entered into a new media copyright management and monetization services agreement with Wasu Media Networks Co., Ltd., a leading digital content operator and comprehensive service provider in China.
- We entered into a strategic business collaboration agreement with Guangdong Advertising Group Co., Ltd., a leading provider of marketing services in China.

We launched the Rights ID business in Japan, signing Rights ID business collaboration agreements with NexTone Inc, AVEX Group, Yomiuri Telecasting Corporation (YTV) and the Japan Performing Arts Foundation (NBS) to provide audio-visual content online copyright management and monetization services.

We completed the allotment and issue of HK\$400 million shares to Antfin (Hong Kong) Holding Limited, an indirect wholly-owned subsidiary of Ant Group Co., Ltd. and the issue of HK\$100 million convertible bonds to Poly Platinum Enterprises Limited, a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP.

Industry Outlook

- (1) Major Studios Turning to DTC — An increasing number of consumers choose to discontinue their subscription of traditional pay television services, such as cable and satellite television delivered through system operator owned and controlled set top boxes, a trend known as “cord cutting”. Content owners and content aggregators have been embroiled in a strategic land grab of direct relationships with consumers. A large number of consumers now only watch digital video programming through applications and services using OTT delivery technology built in the Smart TVs or a variety of digital video/gaming devices. This is forcing significant changes in content production, aggregation and distribution business model. Major studios and content owners are turning to the DTC model for a brighter future.
- (2) DTC Marketing on Social Video Platforms — Social video platforms, such as YouTube and Facebook, continue to represent a significant portion of viewers’ time spent on-line, across all devices. Short clips of studio produced movie and television programming, often times fan favorite cut of these studio content, are popular on social video platforms and generating billions of views. Marketers of DTC video services are searching effective marketing tools to grow their subscriber base. Identifying the viewers of a brand studio’s content on social video platforms can effectively locate its large fan base online. Reaching these identified viewers with targeted advertising can be a powerful marketing tool, including subscriber acquisition and retention.

Group Strategies

We are focused on serving global premium content owners and rightsholders. Our clients include film studios, television networks, record labels, DTC service providers, subscription video-on-demand content aggregators, sports leagues, toys and games companies. Generally speaking, they all have media entertainment businesses.

The success of media entertainment businesses is highly dependent on the protection of IP rights in the entertainment products and services they created, and predominantly being consumed in digital format over internet nowadays. We firmly believe that our content protection platform is an essential service for all media entertainment businesses and will become even more important over time. For example, the unauthorized distribution and access to movies and television episodes of a major studio will impact the number of subscribers for its DTC service, directly reducing its revenues. This will have a

much bigger impact to the studio's business compared to the old days when a significant amount of its revenues was guaranteed by output licensing deals. With the announced high-stakes investments in DTC services, the total investment in original content productions has been increasing dramatically over time. These developments require DTC service providers to devote substantial resources for content protection.

The acquisition of Rights ID and Channel ID businesses has transformed our Group into the premier provider of comprehensive solution in content protection and monetization. We are the only independent rights management provider that operates in collaboration and compliance with YouTube, Facebook, Instagram and SoundCloud. We have the best platform and expertise to identify, prioritize and maximize video monetization on social media platforms. The ability to reach viewers of specific video content on social media platforms and deliver targeted advertising messages gives us powerful tools for brand marketing and performance marketing.

We enjoy long-standing trusted relationships with premium content owners in the United States and other developed markets and will continue to invest in developing advanced technologies, products and services to serve their needs. We are making significant efforts to expand our client base in Asia in the coming years.

We continue to explore ways to grow our digital PPT business, namely transaction video on demand (TVOD) business. We remain optimistic on the potential revenue upside of our TVOD business in the long run.

Revenue Model for Product Offerings

We principally deliver our products and services using SaaS business model. Our primary sources of revenues can be categorized as:

- Transaction-based SaaS business — mainly consisting of a content monetization platform and transactional video on demand platform; and
- Subscription-based SaaS business — mainly consisting of content protection platform and content management platform.

FINANCIAL REVIEW

Consolidated Statement of Profit or Loss and Other Comprehensive Income Highlights

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i> (Restated)
Revenue	43,874	18,781
Gross profit	21,347	13,452
Profit/(loss) before tax	8,667	(8,081)
Profit/(loss) for the year attributable to owners of the Company	10,479	(6,210)
Non-IFRS Adjusted EBITDA	<u>2,624</u>	<u>(1,276)</u>

Non-IFRS Adjusted EBITDA

Adjusted EBITDA is earnings/(loss) before finance costs, finance revenues, income taxes, depreciation and amortization, equity settled share option expenses, and other one-off expenses. This is not a IFRSs measure. Adjusted EBITDA is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation. Our Group has presented this item because our Group considers it an important supplemental measure of our Group's operational performance used by our Group's management as well as analysts or investors.

The following table sets forth a quantitative reconciliation of Adjusted EBITDA to its most directly comparable IFRS measurement and profit/(loss) before tax.

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i> (Restated)
Profit/(loss) before tax	8,667	(8,081)
Add:		
Depreciation and amortization	2,293	1,334
Loss on disposal of items of property, plant and equipment and other intangible assets	13	—
Equity-settled share compensation expense	3,096	147
Bank interest income	(27)	(119)
Finance costs	6,473	649
(Reversal of impairment)/impairment on financial assets	(31)	3
Transaction costs for proposed acquisition	—	4,791
Fair value change on other liabilities measured at FVTPL	<u>(17,860)</u>	<u>—</u>
Adjusted EBITDA	<u>2,624</u>	<u>(1,276)</u>

Revenue

The following table shows our revenue breakdown by each product in our subscription-based SaaS business and transaction-based SaaS business:

	2020 <i>US\$'000</i>	2019 <i>US\$'000</i>
Subscription-based SaaS business	13,728	12,482
Transaction-based SaaS business	<u>30,146</u>	<u>6,299</u>
Total	<u><u>43,874</u></u>	<u><u>18,781</u></u>

Our revenue in 2020 amounted to approximately US\$43.9 million (equivalent to approximately HK\$340 million, representing an increase of approximately US\$25.1 million, or approximately 133.6% as compared with the revenue of 2019 of approximately US\$18.8 million (equivalent to approximately HK\$145.6 million). The increase was mainly attributed by the successful integration of the Rights ID and Channel ID businesses acquired from ZEFR, Inc. in November 2019 and improved productivity of the combined operation of our Group which significantly enhanced our product offering and contributed to the growth of our Group's transaction-based SaaS business.

Gross profit and gross profit margin

Our gross profit in 2020 amounted to approximately US\$21.3 million, representing an increase of approximately US\$7.8 million as compared to 2019 of approximately US\$13.5 million. The increase was mainly attributed by the successful integration of the Rights ID and Channel ID businesses acquired from ZEFR, Inc. in November 2019 and improved operational productivity of the combined operation of our Group.

Our gross profit margin decreased from 72% in 2019 to 49% in 2020 as revenue from certain product acquired from ZEFR, Inc. in November 2019 has a lower gross profit margin than the other products.

Selling and marketing expenses

Our selling and marketing expenses in 2020 amounted to approximately US\$9.6 million, representing an increase of approximately US\$2.1 million as compared to 2019 of approximately US\$7.5 million. The increase was mainly due to the increase of sales and marketing initiatives during the year.

Administrative expenses

Our administrative expenses in 2020 amounted to approximately US\$7.5 million, representing a decrease of approximately US\$3.6 million as compared to 2019 of approximately US\$11.1 million. The administrative expenses decreased as there were no extra-ordinary expenses during the year, such as transaction costs for acquisition.

Research and development expenses

Our research and development expenses in 2020 amounted to approximately US\$6.8 million, representing an increase of approximately US\$4.3 million as compared to 2019 of approximately US\$2.5 million. The increase was mainly due to the increase of headcount as a result of the acquisition of the Rights ID and Channel ID businesses from ZEFR, Inc. in November 2019 and increase of research and development initiatives in 2020.

Other income and gains

Other income mainly consisted of income on fair value change on other liabilities measured at FVTPL of approximately US\$17.9 million. As of December 31, 2019, the fair value of contingent consideration payable was US\$17,860,000. As the Acquired Business did not meet the earn-out criteria specified in the asset purchase agreement, the Company trued down the fair value of the contingent consideration payable.

Finance costs

Finance costs mainly consisted of interest expense on convertible bonds and interest-bearing borrowings of approximately US\$6.4 million and interest expense on lease liabilities.

Income tax credit

Our income tax credit for the year ended December 31, 2020 was mainly comprised of deferred tax credit of US\$2 million.

Profit/(loss) for the year attributable to owners of the Company

The profit attributable to owners of the Company for 2020 amounted to approximately US\$10.5 million, representing an increase of approximately US\$16.7 million as compared to the loss attributable to owners of the Company for 2019 of approximately US\$6.2 million. The increase in profit was mainly attributed to the increased productivity of our Group and the recognition of income from the fair value change on other liabilities measured at FVTPL.

Basic earnings per share for 2020 was approximately US2.44 cents (equivalent to approximately HK\$18.91 cents), and diluted earnings per share for 2020 was approximately US2.37 cents (equivalent to approximately HK\$18.37 cents) (basic and diluted loss per share for 2019: US1.46 cents (equivalent to approximately HK\$11.32 cents)).

Dividends

The Board does not recommend any payment of dividends for 2020 (2019: nil).

Consolidated Statement of Financial Position Highlights

	2020	2019
	<i>US\$'000</i>	<i>US\$'000</i> (Restated)
Total assets	148,795	115,951
Total liabilities	47,038	80,854
Net assets	101,757	35,097
Total equity	101,757	35,097

Goodwill

Our goodwill remained stable at approximately US\$77.9 million as at December 31, 2020. Goodwill is tested for impairment periodically and no impairment loss is considered necessary as at December 31, 2020.

Intangible assets

Our intangible assets amounted to US\$10.5 million as at December 31, 2020, representing an increase of US\$1.1 million as compared to December 31, 2019 of US\$9.4 million. The increase was attributable to the acquisition of certain video watermarking patents and technologies from Verance Corporation in November 2020.

Interest-bearing borrowings

The Board considers that the level of borrowings as at December 31, 2020 to be healthy and sustainable. As at December 31, 2020, our Group had convertible bonds and interest-bearing borrowings which amounted to approximately US\$10.7 million and US\$20 million, respectively.

The Board considers that the maturity profile of borrowings is in line with normal commercial practices. As at December 31, 2020, the convertible bonds are repayable in 2022 and the interest-bearing borrowings of our Group of US\$20 million repayable in 2024.

Convertible bonds

On July 14, 2020, the Company issued two series of convertible bonds in the aggregate principal amount of HK\$100,000,000 to Poly Platinum Enterprises Limited, an investment holding company incorporated in British Virgin Islands with limited liability a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP. The Series One Convertible Bonds with principal amount of HK\$80,000,000 and has an initial conversion price of HK\$2.58 per Share. The Series Two Convertible Bonds with principal amount of HK\$20,000,000 and has an initial conversion price of HK\$2.80 per Share. Both Series One Convertible Bonds and Series Two Convertible Bonds are

convertible into Shares. The convertible bonds bear simple interest on their outstanding principal amount at the rate of 5% per annum, payable semi-annually in arrears, and will mature on the two years from the issue date.

LIQUIDITY AND FINANCIAL RESOURCES

Working capital

As of December 31, 2020, our cash and cash equivalents amounted to approximately US\$33.8 million, representing an increase of US\$29 million as compared to 2019 of approximately US\$4.8 million. The increase was primarily due to the issue of convertible bonds on July 14, 2020 and proceeds from the allotment and issue of 28,901,734 Shares to Antfin (Hong Kong) Holding Limited on December 29, 2020. As of December 31, 2020, our current ratio, which is equivalent to the current assets divided by the current liabilities, was 3.9 times as compared with 1.6 times as at December 31, 2019.

Significant investments, acquisitions and disposal

Except for the acquisition of certain video watermarking patents and technologies from Verance Corporation in November 2020, we did not make significant investments.

We did not have any material disposal during 2020.

Capital expenditures

Our capital expenditures primarily included purchases of property, plant and equipment, intangible assets and incurrence of development costs, which will be capitalized as intangible assets. The amount of our capital expenditures in 2020 was US\$1.5 million.

Foreign exchange exposure

Our transactions are mainly settled in USD and therefore we have minimal exposure to foreign exchange risk. We have not used any derivative financial instrument to hedge against our exposure to foreign exchange risk but will monitor such risk closely on an ongoing basis.

Gearing ratio

Our Group monitors capital using gearing ratio, which is net external debt divided by the capital (equity attributable to owners of the Company) plus net debt. Net debt includes convertible bonds and interest-bearing borrowings, less cash and cash equivalents. As of December 31, 2020, our gearing ratio, calculated as net debt divided by the capital (equity attributable to owners of the Company) plus net debt, was not applicable as our balance of cash and cash equivalents exceeded the balance of net external debt (December 31, 2019: 56.3%).

Contingent liabilities, off balance sheet commitments and arrangements and pledge of assets

As of December 31, 2020 and the date of this announcement, we did not have (i) any material contingent liabilities or guarantees, (ii) any liabilities under acceptance trade receivables or acceptable credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantee material covenants, or other material contingent liabilities, (iii) any material off-balance sheet arrangements, or (iv) any unutilized banking facilities.

Financial instruments

Our major financial instruments include trade receivables, other receivables excluding prepayments, cash and cash equivalents, convertible bonds, interest-bearing borrowings, trade payables, other payables excluding non-financial liabilities, contingent consideration payable and other non-current liabilities.

We manage such exposure to ensure appropriate measures are implemented on a timely and effective manner.

Use of proceeds from convertible bonds and subscription of shares

In July 2020, the Company completed the issue of two series of convertible bonds to Poly Platinum Enterprises Limited, a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP and raised net proceeds of approximately US\$11.6 million. As of December 31, 2020, the Company has utilized US\$2 million of the net proceeds. The Company will apply the remaining net proceeds for the purposes as disclosed in the announcement of the Company dated June 29, 2020.

In December 2020, the Company completed the allotment and issuance of 28,901,734 Shares to Antfin (Hong Kong) Holding Limited, an indirect wholly-owned subsidiary of Ant Group Co., Ltd. and raised net proceeds of approximately US\$49.7 million. As of December 31, 2020, the Company has utilized US\$28.9 million of the net proceeds. The Company will apply the remaining net proceeds for the purposes as disclosed in the announcement of the Company dated December 20, 2020.

EMPLOYEES AND REMUNERATION POLICY

As at December 31, 2020, we employed a total of 132 staff (as at December 31, 2019: 144 staff). Salaries, bonuses and benefits are determined with reference to market terms and performance, qualifications and experience of each individual employee, and are subject to review from time to time.

The remuneration of the Directors is reviewed by the remuneration committee of the Company and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended December 31, 2020.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for our Group to formulate its business strategies and policies, and to enhance its transparency and accountability. The Company has applied the principles as set out in the CG Code which are applicable to the Company.

In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in the CG Code during the year ended December 31, 2020, save and except for code provision A.2.1 which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yangbin Bernard WANG is both our Chairman and Chief Executive Officer, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. We believe Mr. Wang is instrumental to our growth and business expansion since our establishment in 2005. The Board considers that the roles of chairman and chief executive officer being vested in the same person is beneficial to the business prospects, management and overall strategic direction of our Group by ensuring consistent leadership within our Group and facilitating more effective and efficient overall strategic planning and decision-making for our Group. In addition, the Board meets regularly to consider major matters affecting the operations of our Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. In addition, under the supervision of the Board which is comprised of two executive Directors, two non-executive Director and four independent non-executive Directors as at the date of this announcement, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. After considering all the corporate governance measures that have been taken, the Board considers that the balance of power and authority will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. Thus, the Company does not segregate the roles of Chairman and Chief Executive Officer.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code during the year ended December 31, 2020. The Company has made specific inquiries of relevant employees about their compliance with the guidelines on transactions of the Company's securities, without noticing any violation of the guidelines.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended December 31, 2020, except for the purchase of 970,000 shares on behalf by Tricor Trust (Hong Kong) Limited (formerly known as Acheson Limited), a wholly-owned subsidiary of Tricor Holdings Limited, as the trustee of the share award plan adopted by our Group on May 6, 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

On March 18, 2021, the grant of 28,000,000 share options to Mr. Wang to subscribe for 28,000,000 Shares at an exercise price of HK\$20.00 per Share under the Post-IPO Share Option Scheme was approved by the Shareholders at the EGM on March 18, 2021. There are nine tranches of share options, each tranche will only vest and become exercisable by Mr. Wang subject and conditional upon the Company achieving one tranche of Market Capitalization Milestones and one tranche of Operational Milestones. The whole 28,000,000 share options in aggregate will become fully vested when the Market Capitalization of the Company on a Determination Date reaches at least US\$10 billion and the Company has achieved at least nine of the Operational Milestones in any combination.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. CHAN King Man Kevin, Mr. Alfred Tsai CHU and Mr. Charles Eric EESLEY, and two non-executive Directors, namely, Mr. J David WARGO and Mr. WONG Wai Kwan. The chairman of the Audit Committee is Mr. CHAN King Man Kevin.

The Audit Committee has reviewed the annual results of our Group for the year ended December 31, 2020 and has recommended for the Board's approval thereof.

SCOPE OF WORK ON THE RESULTS ANNOUNCEMENT BY AUDITORS

The figures in respect of our Group’s consolidated statement of financial position as at December 31, 2020 and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2020 as set out in this results announcement have been agreed by our Group’s auditors, Ernst & Young, to the amounts set out in our Group’s consolidated financial statements for the year. The work performed by Ernst & Young 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 Ernst & Young on this results announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.vobilegroup.com). The Company will despatch in due course to the Shareholders the 2020 annual report containing all the information as required by the Listing Rules and publish it on the above websites.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquired Business”	the Rights ID and Channel ID business
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CG Code”	the corporate governance code as set out in Appendix 14 to the Listing Rules
“Company”	Vobile Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands and the Shares of which are listed on the Stock Exchange
“Convertible Bonds”	the Series One Convertible Bonds and the Series Two Convertible Bonds
“Determination Date”	a date on which the exercisability of the Share Options is determined, which shall be a day on which the Stock Exchange is open for trading
“Directors”	the directors of the Company
“DTC”	direct-to-consumer

“EBITDA”	earnings/(loss) before interest, tax, depreciation and amortization
“EGM”	extraordinary general meeting
“FVTPL”	fair value through profit or loss
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAS”	International Accounting Standards
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Market Capitalization of the Company on a Determination Date”	the lower of the six-month market capitalization of the Company on the Determination Date or the thirty-day market capitalization on the Determination Date
“Market Capitalization Milestone”	the milestones for exercisability of the tranches of the share options comprising the achievement of increases in Market Capitalization of the Company on a Determination Date in nine US\$1 billion increments
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Wang”	Mr. Yangbin Bernard WANG
“Operational Milestones”	the vesting criteria for a tranche of the share option relating to annual revenue of the Company on a Determination Date or annual adjusted EBITDA of the Company on a Determination Date
“OTT”	over-the-top
“PPT”	Pay Per Transaction
“Pre-IPO Share Option Scheme”	the share option scheme of the Company adopted on December 30, 2016
“Post-IPO Share Option Scheme”	the share option scheme of the Company adopted on December 8, 2017
“SaaS”	Software as a Service

“Series One Convertible Bonds”	the convertible bonds in the principal amount of HK\$80,000,000 issued by the Company on July 14, 2020
“Series Two Convertible Bonds”	the convertible bonds in the principal amount of HK\$20,000,000 issued by the Company on July 14, 2020
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on May 6, 2019, as amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TVOD”	transactional video-on-demand
“US\$” or “USD”	the lawful currency of the United States

By Order of the Board
Vobile Group Limited
Yangbin Bernard Wang
Chairman

Hong Kong, March 31, 2021

As at the date of this announcement, the Board comprises Mr. Yangbin Bernard WANG and Mr. Michael Paul WITTE as executive Directors; Mr. J David WARGO and Mr. WONG Wai Kwan as non-executive Directors; and Mr. CHAN King Man Kevin, Mr. Derek CHANG, Mr. Alfred Tsai CHU and Mr. Charles Eric EESLEY as independent non-executive Directors.