Mobvista Inc.
匯量科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1860)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN BEIJING REYUN TECHNOLOGY CO., LTD.* INVOLVING ISSUE OF CONSIDERATION SHARES AND BONUS SHARES UNDER GENERAL MANDATE

Financial Adviser

UBS

Reference is made to the announcement of Mobvista Inc. (the "**Company**") dated 28 April 2021 (the "**Announcement**") in respect of the disclosable transaction relating to the acquisition of the entire equity interest in Beijing Reyun Technology Co., Ltd* (北京熱雲科技有限公司). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Company would like to provide the shareholders and potential investors of the Company with further information relating to the Acquisitions.

BASIS OF CONSIDERATION FOR THE ACQUISITIONS

As disclosed in the Announcement, the Valuation is a factor (among others) in determining the Acquisition A Consideration and the Acquisition B Consideration (collectively, the "**Consideration**"). The Company engaged an independent qualified valuer (the "**Valuer**") to conduct a valuation of the fair value of the 100% equity interests of the Target Company and its subsidiaries as at 31 December 2020. According to the valuation report issued by the Valuer based on market approach dated 18 March 2021, the 100% equity interest of the Target Company and its subsidiaries as at 31 December 2020 is RMB1,740,000,000.

The Valuation is based on ongoing concern premise and conducted on a fair value basis. It has been prepared in accordance with the International Valuation Standards on business valuation published by International Valuation Standards Council, which contains guideline on the basis and valuation approaches used in business valuation. The Valuer selected market approach given the Target Company's business nature, financial profile track records and business sustainability. Under the market approach, the guideline public company method is applied. Market multiples regarding the public companies' stock price, earnings, sale or revenues have be derived and used for the determination of the value, with a discount for lack of marketability applied given the Target Company is a private company. The Valuation is derived based on commonly and widely adopted market multiples, such as Price-to-Earnings Ratio, Price-to-Book Ratio and Price-to-Sales Ratio given the Target Company currently has positive earnings together with a stable level of net assets to generate sustainable cashflows.

Due to the changing environment in which the Target Company is operating, a number of assumptions have been established in order to sufficiently support the Valuer's concluded opinion of the Valuation. The major assumptions adopted in the Valuation are:

- There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the jurisdiction where the Target Company currently operates or will operate which will materially affect the revenues attributable to the Target Company, that the rates of tax payable remain unchanged and that all applicable laws and regulations will be complied with;

- For the Target Company to continue as a going concern, the Target Company will successfully carry out all necessary activities for the development of its business;

- Market trends and conditions where the Target Company operates will not deviate significantly from the economic forecasts in general;

- Key management, competent personnel, and technical staff will all be retained to support ongoing operations of the Target Company;

- There will be no material changes in the business strategy of the Target Company and its operating structure;

- Interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailing;

- All relevant approvals, business certificates, licenses or other legislative or administrative authority from any local, provincial or national government, or private entity or organisation required to operate in the localities where the Target Company operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

- The major shareholder of the Target Company will support and provide interest-free financing for the current and future business of the Target Company (including but not limited to working capital needs).

In determining the proper selected market multiples to be adopted for the Valuation, the Valuer has identified relevant comparables based the selection criteria shown as follows:

- The peer firm engages in advertisement-related or SaaS services;

- The peer firm has positive earnings in the latest reporting period;

- The market capitalisation is under USD500 million, in comparison to the current size of the Target Company;

- The shares are listed on major Stock Exchanges; and

- Information of the peer firm is available and from a reliable source.

The Consideration is RMB1,500,000,005 (being the total sum of the Acquisition A Consideration of RMB718,171,261 and the Acquisition B Consideration of RMB781,828,744), which represents a discount of approximately 13.79% to the Valuation of RMB1,740,000,000. The Board reviewed the valuation report and is of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The discount to the Valuation is also a result of continuous commercial negotiation between the Board and the Target Company, after taking into account the other factors as stated in the Announcement.

In addition to the Consideration and as a separate contingent incentive performance bonus after the completion of the Acquisitions, the Company agreed to pay performance bonus as a target-oriented gradient equity incentive system to the Vendors B if the Target Company's audited revenue for the designated business exceeds RMB123,529,412 and RMB172,941,176 for the years ending 31 December 2021 and 2022, respectively. The performance bonus shall be paid by way of allotment and issuance of the specific number of the Bonus Shares (if applicable) in accordance with the formulas as set out in the Announcement.

According to the SPA B, the Founder and three beneficial owners of Vendor 21 will act as the full-time core personnel of the Target Company for at least three years from the date of the SPA B. The Bonus Shares are purely the rewards to the Vendors B's continuous contribution to the Group in case the specific performance goals can be achieved by the Target Company, which are contingent in nature and essentially different from a deferred consideration. The Company is not required to allot and issue any Bonus Shares if the specific performance goals cannot be met. The Company considers that the Vendors B, the Target Company and the Company will be mutually benefited from the abovementioned incentive performance bonus where the interests of these parties are aligned.

2022 Performance Bonus

The Company would like to clarify that there is an inadvertent typographical error in relation to the maximum number of the Bonus Shares to be allotted and issued (if applicable) to the entity designated by the Vendor 19 where the audited revenue for the designated business of the Target Company for the year ending 31 December 2022 exceeds RMB235,200,000, which shall be "**3**,**13**9,280" instead of "**1**,**31**9,280" as shown on page 12 of the Announcement. Save for such typographical error, the other maximum numbers of the Bonus Shares to be allotted and issued (if applicable) set out in the Announcement are accurate. The calculation formulas of the Bonus Shares as stated in the Announcement remain accurate and effective.

INFORMATION OF THE VENDORS AND THEIR ULTIMATE BENEFICIAL OWNERS

The Company would like to provide additional information of certain vendors. Based on the information publicly available, details of the investors or ultimate beneficial owners of certain vendors are shown below:

Vendor 1

Vendor 1 is a PRC company principally engaged in the investment business. As at the date of this announcement, it holds approximately 13.8236% equity interest in the Target Company and it is owned by a total of 29 shareholders, among which, Tibet Xiangbin Trading Co.* (西藏祥濱商貿有限公司) is the largest shareholder with 13.3457% equity interest, while Tianjin Teda Development Group Co., Ltd.* (天津泰達產業發展集團有

限公司) and Tibet Qinhui Trading Co., Ltd.* (西藏勤暉商貿有限公司) owns 11.8889% and 10.6765% equity interest in Vendor 1, respectively. Each of the other 26 shareholders' equity interest in Tibet Xiangbin Trading Co. is less than 10%.

The ultimate beneficial owners of Tibet Xiangbin Trading Co.* (西藏祥濱商貿有限公司) are Liu Dongbin (劉東濱) and, Yu Bo (于菠) holding 80% and 20% equity interest, respectively.

The ultimate beneficial owner of Tianjin Teda Development Group Co., Ltd.* (天津泰達產業發展集團有限公司) is State-owned Assets Supervision and Administration Commission of the State Council of Tianjin* (天津經濟技術開發區國有資產監督管理局) holding the entire equity interest.

The ultimate beneficial owners of Tibet Qinhui Trading Co., Ltd.* (西藏勤暉商貿有限公司) are Yang Yonhua (楊永華) and Xue Meizi (薛梅子) holding 90% and 10% equity interest, respectively.

Vendor 2

Vendor 2 is a PRC established limited partnership principally engaged in the investment business. As at the date of this announcement, it holds approximately 12.9858% equity interest in the Target Company. It is owned by Suzhou Industrial Park Linkage Software Co., Ltd.* (蘇州工業園區凌志軟件股份有限公司) and its general manager, Shanghai Hanli Prospect Investment Management Co., Ltd.* (上海漢理前景投資管理有限公司), as to 98% and 2%, respectively.

Suzhou Industrial Park Linkage Software Co., Ltd. (蘇州工業園區凌志軟件股份有限公司) is a company listed on the Shanghai Stock Exchange (stock code: 688588). It is owned by Zhang Baoquan (張寶泉) and Wu Yanfang (吳豔芳) as to 19.86% and 16.67%, respectively.

Shanghai Hanli Prospect Investment Management Co., Ltd.* (上海漢理前景投資管理有限公司) is wholly-owned by Shanghai Hanli Equity Investment Management Co., Ltd.* (上海漢理股權投資管理股份有限公司). Its ultimate beneficial owners are Qian Xuefeng (錢學鋒) and Shanghai Hantao Investment Management Co., Ltd.* (上海漢韜投資管理有限公司) holding 65.1% and 14.3316%, respectively. Each of the other 10 shareholders' equity interest in Shanghai Hanli Equity Investment Management Co., Ltd.* (上海漢理股權投資管理股份有限公司) is less than 10%. Shanghai Hantao Investment Management Co., Ltd.* (上海漢韜投資管理有限公司) is owned by Qian Xuefeng (錢學鋒) and Ding Meizhen (丁梅珍) as to 90% and 10%, respectively.

Vendor 3

Vendor 3 is a PRC established limited partnership and a registered investment fund in the PRC principally engaged in the investment business. As at the date of this announcement, it holds approximately 9.5386% equity interest in the Target Company and it is owned by a total of 12 shareholders. Its general partner is Beijing Xingyuan Innovation Equity Investment Fund Management Co., Ltd.* (北京星元創新股權投資基金管理有限公司), the equity interest of which is owned as to 70% by Shanghai Fosun Health Industry Holding Company Limited* (上海復星健康產業控股有限公司) and 30% by Beijing Shounong Co., Ltd.* (北京首農股份有限公司).

Shanghai Fosun Health Industry Holding Company Limited* (上海復星健康產業控股有限公司) is indirectly wholly-owned by Fosun International Co., Ltd.* (復星國際有限公司), which is a company listed on the Stock Exchange (stock code: 656). Through Fosun Holdings Limited, its controlling shareholder is Guo Guangchang (郭廣昌).

The ultimate beneficial owners of Beijing Shounong Co., Ltd.* (北京首農股份有限公司) is Beijing Shounong Food Group Co., Ltd.* (北京首農食品集團有限公司), holding 45.3243%. Beijing Shounong Food Group Co., Ltd.* (北京首農食品集團有限公司) is indirectly wholly-owned by State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government* (北京市人民政府國有資產監督管理委員會). The remaining 54.6757% equity interest of Beijing Shounong Co., Ltd.* (北京首農股份有限公司) is owned by 5 shareholders, each of them does not own more than 18% equity interest in Beijing Shounong Co., Ltd.* (北京首農股份有限公司).

Vendor 4

Vendor 4 is a PRC established limited partnership and a registered investment fund in the PRC principally engaged in the investment business. As at the date of this announcement, it holds approximately 3.5454% equity interest in the Target Company and it is owned by a total of 30 shareholders. Its general partner is Shanghai Hanli Prospect Investment Management Co., Ltd.* (上海漢理前景投資管理有限公司), the entire equity interest of which is owned by Shanghai Hanli Equity Investment Management Co., Ltd.* (上海漢理股權投資管理股份有限公司). Its ultimate beneficial owners are Qian Xuefeng (錢學鋒) and Shanghai Hantao Investment Management Co., Ltd.* (上海漢韜投資管理有限公司) holding 65.1% and 14.3316%, respectively. Each of the other 10 shareholders' equity interest in Shanghai Hanli Equity Investment Management Co., Ltd.* (上海漢理股權投資管理股份有限公司) is less than 10%. Shanghai Hantao Investment Management Co., Ltd.* (上海漢韜投資管理有限公司) is owned by Qian Xuefeng (錢學鋒) and Ding Meizhen (丁梅珍) as to 90% and 10%, respectively.

Vendor 5

Vendor 5 is a PRC established limited partnership and a registered investment fund in the PRC principally engaged in the investment business. As at the date of this announcement, it holds approximately 1.5% equity interest in the Target Company and it is owned by a total of 9 shareholders. Its general partner is Orient Securities Capital Investment Co., Ltd.* (上海東方證券資本投資有限公司), the entire equity interest of which is owned by Orient Securities Company Limited* (東方證券股份有限公司) which is a company listed on both Shanghai Stock Exchange (stock code: 600958) and the Stock Exchange (stock code: 3958). Its largest shareholder is Shenergy Group Company Limited* (申能 (集團) 有限公司) with 25.27% shareholding. Shenergy Group Company Limited* (申能 (集團) 有限公司) is wholly-owned by Shanghai State-owned Assets Supervision and Administration Commission* (上海市國有資產監督管理委員會).

Vendor 6

Vendor 6 is a PRC established limited partnership and a registered investment fund in the PRC principally engaged in the investment business. As at the date of this announcement, it holds approximately 1.4850% equity interest in the Target Company and it is owned by a total of 13 shareholders. Its general partner is Tianjin Hidea Venture Capital Management Co., Ltd.* (天津海達創業投資管理有限公司) and its ultimate beneficial owners are Zhou Liwei (周莉微), Wang Wengang (王文剛), Liu Jie (劉傑), Hu Deyuan (胡德源) and Jiang Huiming (蔣惠明).

Vendor 7

Vendor 7 is a PRC established limited partnership and a registered investment fund in the PRC principally engaged in the investment business. As at the date of this announcement, it holds approximately 1.0% equity interest in the Target Company and it is owned by a total of 31 shareholders. Its general partner is Shanghai Hanli Prospect Investment Management Co., Ltd.* (上海漢理前景投資管理有限公司), the entire equity interest of which is owned by Shanghai Hanli Equity Investment Management Co., Ltd.* (上海漢理股權投資管理股份有限公司). Its ultimate beneficial owners are Qian Xuefeng (錢學鋒) and Shanghai Hantao Investment Management Co., Ltd.* (上海漢韜投資管理有限公司) holding 65.1% and 14.3316%, respectively. Each of the other 10 shareholders' equity interest in Shanghai Hanli Equity Investment Management Co., Ltd.* (上海漢理股權投資管理股份有限公司) is less than 10%. Shanghai Hantao Investment Management Co., Ltd.* (上海漢韜投資管理有限公司) is owned by Qian Xuefeng (錢學鋒) and Ding Meizhen (丁梅珍) as to 90% and 10%, respectively.

Vendor 11

Vendor 11 is a PRC established limited partnership principally engaged in the investment business. As at the date of this announcement, it holds approximately 0.5199% equity interest in the Target Company and it is owned by Shanghai Hanli Investment Management Co., Ltd.* (上海漢理投資管理有限公司), Qian Xuefeng (錢學鋒) and its general partner, Shanghai Hanli Prospect Investment Management Co., Ltd.* (上海漢理前景投資管理有限公司), as to 69.9%, 30% and 0.1%, respectively.

The ultimately beneficial owners of Shanghai Hanli Investment Management Co., Ltd.* (上海漢理投資管理有限公司) are Qian Xuefeng (錢學鋒) and Ding Meizhen (丁梅珍).

Shanghai Hanli Prospect Investment Management Co., Ltd.* (上海漢理前景投資管理有限公司) is wholly-owned by Shanghai Hanli Equity Investment Management Co., Ltd.* (上海漢理股權投資管理股份有限公司). Its ultimate beneficial owners are Qian Xuefeng (錢學鋒) and Shanghai Hantao Investment Management Co., Ltd.* (上海漢韜投資管理有限公司) holding 65.1% and 14.3316%, respectively. Each of the other 10 shareholders' equity interest in Shanghai Hanli Equity Investment Management Co., Ltd.* (上海漢理股權投資管理股份有限公司) is less than 10%. Shanghai Hantao Investment Management Co., Ltd.* (上海漢韜投資管理有限公司) is owned by Qian Xuefeng (錢學鋒) and Ding Meizhen (丁梅珍) as to 90% and 10%, respectively.

Vendor 12

Vendor 12 is a PRC established limited partnership and a registered investment fund in the PRC principally engaged in investment business. As at the date of this announcement, it holds approximately 0.50% equity interest in the Target Company and it is owned by a total of 10 shareholders. Its general partner is Hangzhou Puchao Investment Management Co., Ltd.* (杭州普超投資管理有限公司) and its ultimate beneficial owners are Mu Lei (慕磊) and Xiao Zheng (蕭震), holding 67% and 33% of the equity interest.

Vendor 15

Vendor 15 is a PRC established limited partnership principally engaged in enterprise management business. As at the date of this announcement, it holds approximately 0.1489% equity interest in the Target Company and it is owned by Tang Tianyi (唐天一), Li Peng (李鵬), Pan Donghui (潘東輝), Feng Haoyin (馮浩垠), He Zhigang (何志剛) and its general partner, Shanghai Fugong Enterprise Management Co. Ltd.* (上海復耕企業管理有限公司) as to 26.0163%, 24.3902%, 24.3902%, 16.2602%, 8.1301% and 0.8130%, respectively.

Shanghai Fugong Enterprise Management Co. Ltd.* (上海復耕企業管理有限公司) is owned by Dong Ya (董婭) and Tang Yan (唐艷), each holding 50% of the equity interest.

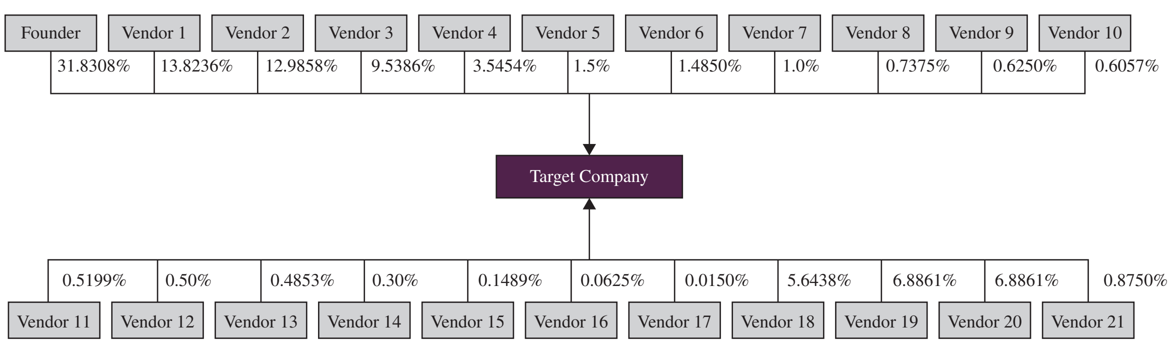
Vendor 4 and Vendor 7 respectively holds 0.0912% and 0.1503% shareholding in Mobvista Co., Ltd.* (廣州匯量網絡科技股份有限公司), which is the controlling Shareholder of the Company with 70.21% indirect shareholding as at the date of this announcement.

Save for the relationship among the Company, Vendor 4 and Vendor 7 as disclosed in the foregoing paragraph, to the Directors' knowledge, information and belief, after having made all reasonable enquires, all Vendors disclosed in the Announcement and their ultimate beneficial owners are third parties independent of the Company and its connected persons, and they have no past or present relationship (i.e. formal or informal, business or otherwise, implied or explicit) with the Company and its connected person.

CONDITIONS PRECEDENT TO THE ACQUISITIONS

Reorganisation of the Target Company

Completion of reorganisation of the Target Company is one of the conditions precedent to the Acquisitions. As at the date of the SPA A and SPA B, the Target Company was owned by the Vendors A and the Vendors B as follows:

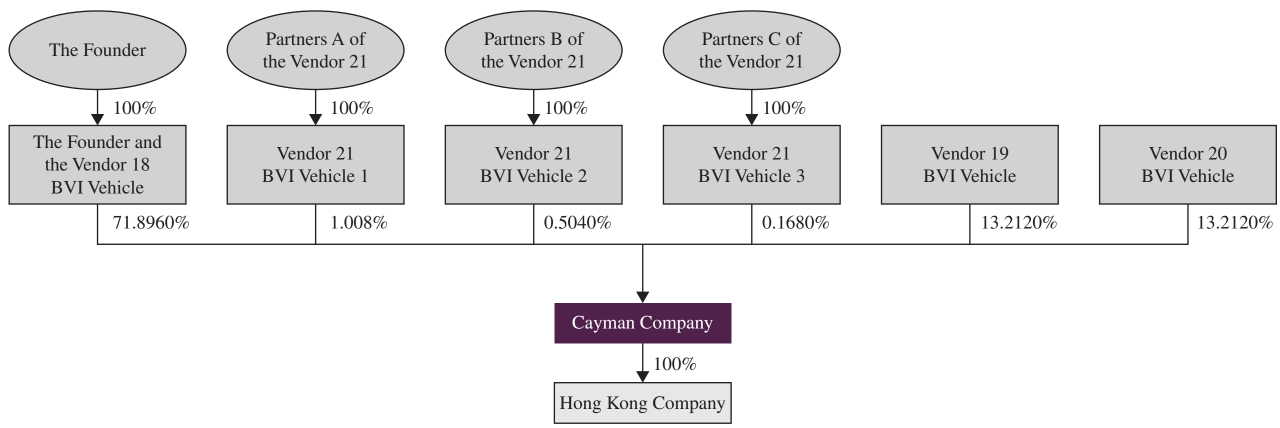


As stipulated in the SPA B, the Target Company shall undergo a reorganisation as follows:

1. The Founder will incorporate a limited liability company in the British Virgin Islands (hereinafter referred to as the "**Founder and Vendor 18 BVI Vehicle**"). Vendor 19 will incorporate a limited liability company in the British Virgin Islands (hereinafter referred to as the "**Vendor 19 BVI Vehicle**"). Vendor 20 will incorporate a limited liability company in the British Virgin Islands (hereinafter referred to as the "**Vendor 20 BVI Vehicle**"). The corresponding partners of Vendor 21 will jointly incorporate three companies in the British Virgin Islands (hereinafter referred to as the "**Vendor 21 BVI Vehicle 1**", "**Vendor 21 BVI Vehicle 2**" and "**Vendor 21 BVI Vehicle 3**", collectively referred to as the "**Vendor 21 BVI Vehicles**").

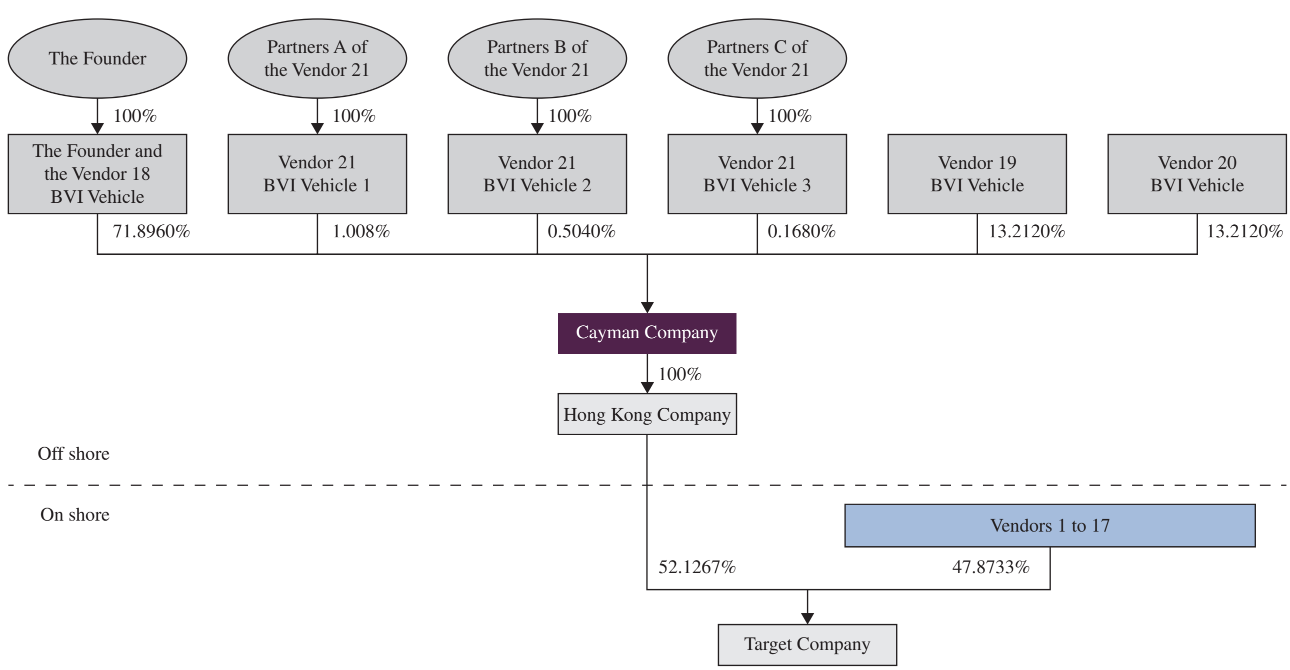
2. Subsequently, the Founder and Vendor 18 BVI Vehicle, the Vendor 19 BVI Vehicle, the Vendor 20 BVI Vehicle and the Vendor 21 BVI Vehicle 1, Vendor 21 BVI Vehicle 2 and Vendor 21 BVI Vehicle 3 (collectively as the "**BVI Vehicles**") will jointly incorporate a limited liability company in the Cayman Islands (the "**Cayman Company**") with the respective shareholding of 71.8960%, 13.2120%, 13.2120%, 1.008%, 0.5040% and 0.1680%. Through the Cayman Company, the BVI Vehicles will incorporate a wholly-owned limited liability company in Hong Kong (the "**Hong Kong Company**"). The shareholder structure in relation to the BVI Vehicles, the Cayman Company and the Hong Kong Company is illustrated as follows:

The Shareholding Structure of the BVI Vehicles, the Cayman Company and the Hong Kong Company



3. Upon completion of the above and fulfilment of other condition precedents under the SPA B, the shareholding structure of the Target Company shall be adjusted to followings for the completion of the reorganisation as stipulated in the SPA B:

The Shareholding Structure of the Target Company after reorganisation



Details and applicability of the ICP License

As confirmed by the Company's PRC legal advisers after their due inquiry, the ICP license (means the value-added telecommunications business operating license with the approved business scope of "information service (with limitation to internet information service)", the "**ICP License**") as mentioned in no. (xix) of the condition precedent to the SPA B is not applicable to the Target Company's businesses as at the date of the SPA A and the SPA B, after reorganisation and upon the completion of the Acquisitions. The Target Group acquired the website of "appadhoc.com" from Appadhoc Technology * (北京吆喝科技有限公司) in 2019. It is noted that the ICP License owned by Appadhoc Technology has been displayed on "appadhoc.com" after the aforementioned acquisition. After their due inquiry, the PRC legal advisers are of the view that (i) "appadhoc.com" is not currently involved in any business requiring ICP License, and (ii) Appadhoc Technology continues to be the owner of the ICP License after the Target Group's acquisition of "appadhoc.com". Therefore, the removal of display of such ICP License from "appadhoc.com" is required by the Company as one of the conditions precedent to the SPA B. As confirmed by the Company's PRC legal advisers after their due inquiry, the businesses engaged by the Target Company (either immediately before and immediately after the reorganisation, and upon completion of the Acquisitions) are not subject to foreign ownership restriction in the PRC as stipulated in Special Administrative Measures (Negative List) for the Access of Foreign Investment (Edition 2020).

FURTHER INFORMATION OF THE TARGET COMPANY

Based on the track record and performance result of the Target Company, the Company considers that the Target Company has potential to provide value to the Group. Further information of the Target Company is shown below:

The audited net asset value for the year ended 31 December 2020	:	Approximately RMB100 million
The audited liability for the year ended 31 December 2020	:	Approximately RMB58.9 million
Revenue CAGR from 2018 to 2020	:	Approximately 64%
Unaudited Annual recurring revenue ("ARR") as a percentage of revenue in 2020	:	Approximately 81%
Unaudited ARR growth in 2020	:	Approximately 47%

Adjusted gross margin in 2020 (R&D personnel expenses reclassified from cost of goods sold to operating expenses)	:	Approximately 81%
Unaudited paid customer retention rate in 2020 (The number of returning paid customers of the Target Company in 2020 divided by the number of paid customers of the Target Company at the beginning of 2020)	:	Approximately 82%
Sales efficiency in 2020 (The increase in revenue of the Target Company in 2020 divided by the sales and marketing expenses of the Target Company in 2020)	:	Approximately 2.73
Customer acquisition cost payback in 2020 (Sales and marketing expenses of the Target Company divided by the result of increase in revenue of the Target Company in 2020 times the audited gross margin of the Target Company in 2020)	:	Approximately 0.63 year

The additional information as disclosed above do not affect any other information contained in the Announcement and all other information and content set out in the Announcement shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
Mobvista Inc.
DUAN Wei
Chairman

Guangzhou, the PRC, 11 May 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. DUAN Wei (chairman), Mr. CAO Xiaohuan (chief executive officer), Mr. FANG Zikai and Mr. SONG Xiaofei as executive Directors; Mr. WONG Tak-Wai as a non-executive Director, and Mr. YING Lei, Mr. HU Jie and Mr. Sun Hongbin as independent non-executive Directors.

* *for identification purpose only*