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OVERVIEW

Our Mission

Our mission is to empower people to discover the broader world and be heard publicly.

Who We Are

Weibo is a leading social media platform in China for people to create, discover and distribute content. By providing a simple and inspirational way for people and organizations in China and the global Chinese communities to publicly express themselves in real time, interact with others on a platform with vast scale and stay connected with the world, Weibo has had a profound social impact in China. Launched in 2009, Weibo has been committed to enabling faster, easier, and richer connection among people and has become an integral part of many of Weibo users’ daily lives.

Leveraging the early-mover advantage and the accumulated know-hows and insights in the social media industry, Weibo has amassed a large user base in China and in Chinese communities in more than 190 countries around the world. In June 2021, Weibo had 566 million MAUs and 246 million average DAUs. Weibo is one of the top 10 mobile apps and one of the top 3 social media platforms in China in terms of MAUs and DAUs in June 2021, according to the CIC Report.

Weibo has transformed the way people express themselves and interact with others in the public internet space. Any user can create and post a feed and attach multimedia or long-form content. User relationships on Weibo may be asymmetric, and any user can follow any other user and add comments to a feed while reposting. As of June 30, 2021, Weibo had 318 billion “follow” relationships existing on its platform. This simple, asymmetric, and distributed nature of Weibo allows an original feed to become a live viral conversation stream.

Weibo serves a wide range of users including ordinary people, celebrities, key opinion leaders (“KOLs”), and other public figures or influencers, as well as media outlets, businesses, government agencies, charities, and other organizations, making it a microcosm of Chinese society. According to the CIC Report, Weibo has the largest celebrity and KOL network in China. As of June 30, 2021, there are 4.4 million verified accounts, such as celebrities, KOLs, enterprise partners, and media outlets on Weibo. As a leading social media, Weibo allows people in China and the global Chinese communities to be heard publicly and exposed to the rich ideas, cultures, and experiences in a broader world. In June 2021, Weibo had 41.9 million monthly active content creators, generating original posts for public self-expression. In June 2021, top content creators on Weibo platform reached 2.3 million, representing a CAGR of 24% from June 2019.

Weibo offers the most comprehensive content formats among social platforms in China, according to the CIC Report. Weibo users can create, discover, consume and share various formats of content, including text, photo, video, live streaming, audio and topic, etc. on Weibo platform. By aggregating various media formats, Weibo platform allows content creators to have more diverse choices to create content in their most desirable ways, so that more enriched content could be generated and distributed across the platform. Weibo is also well positioned to capture the market trends in media formats transformation. To capitalize on the mega trend of video, Weibo has launched a series of innovative initiatives to improve its video product offerings and to empower and attract more video content creators to its platform. As a result, the average number of daily video viewers grew at a CAGR of 20% from June 2019 to June 2021.

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To support the diverse content offerings, Weibo also has the most comprehensive coverage of content categories and content creators among social platforms in China, according to the CIC Report. In June 2021, Weibo had 46 content verticals, such as celebrities and entertainment, humor, media, variety shows and TV programs, fashion, cosmetics, finance and games. Among these content verticals, 28 of them each has over 10 billion monthly views in June 2021. The diversified content offerings on Weibo platform cater to the evolving and broad interests of Weibo users and cultivate a more vibrant ecosystem on Weibo platform.

Foundation of Our Platform

Weibo provides a compelling and efficient way for people to discover what is happening in the world and engage in public social conversations. By combining the following five core attributes at scale, Weibo continues its evolution for public self-expression, content aggregation and distribution.

Public. Weibo’s content is open to any user. User relationships on Weibo may be asymmetric: any user can follow any other user and add comments to a feed while reposting. This asymmetric feature allows Weibo to address users’ differentiated social needs and makes it an ideal public forum of choice for general users, public figures and organizations to participate in trending public conversations and aggregate different opinions on public events.

Real-time. Content goes live on Weibo, from ordinary people at the scene of a headline event, from public figures who have a personal announcement to make, and from businesses, government agencies and other organizations that want direct access to a public audience. Our platform promotes a high velocity of information exchange that allows our users to create and distribute and receive content faster than other forms of media or social platforms.

Viral. Weibo allows content to be easily and virally distributed on its platform. By clicking on the Repost button, users can easily repost feeds from other users. The asymmetric nature of our platform, together with our continuous efforts in introducing innovative features including trends and topic products, allows feeds to reach users several degrees of followings away, making trendy content virally distributed and generated with an enormous amount of views on Weibo’s platform.

Comprehensive. Weibo offers the most comprehensive content formats among social platforms in China, according to the CIC Report. Weibo aggregates diverse media formats, including text, photo, video, live streaming, audio and topic, etc. This allows content creators on Weibo to have more options to create and distribute content in their most desirable ways.

Social. Social engagement on Weibo comes in many forms, such as Likes, Comments and Reposts on a feed, or participation in topic discussion. Over the years, Weibo has observed strong growth of social interactions on its platform and cultivated strong network effect as an early mover in the social sector.

Our Value Propositions

Our platform has unique value propositions for our users, content creators and advertising and marketing customers. Our collective relationship with them is crucial to the continued strength and value of our overall platform.

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To users

- *Express and share*
 - We provide an unprecedented experience for people in China and the global Chinese communities to be able to publicly express themselves and share their life moments, opinions and content in real time on a platform with a vast scale.
- *Discover rich content and diversified opinions*
 - Weibo is where people come to discover and learn more about what is going on with the people, organizations and topics that interest them, as well as their diversified opinions.
- *Stay current and connected*
 - Users come to Weibo to stay current on the latest trends and events and connect with other users who share similar interests.
- *Make a social impact*
 - Weibo helps people come together to realize common goals, and to accomplish things that they could not accomplish on their own.

To content creators

- *Build up fan base and social assets*
 - We help the content creators on our platform to engage and interact with their followers and build up their social assets to create social value and monetization opportunities. The top content creators, such as celebrities and KOLs, regularly interact with their followers, and among each other for topics of the same interest on Weibo. This type of interaction is unique to our platform.
- *Monetization*
 - We are committed to creating and enhancing monetization opportunities for content creators through diversified channels such as advertisement, e-commerce and live streaming.

To advertising and marketing customers

- *Broad and targeted reach*
 - We are an early mover of social advertising in China. We provide our customers with social marketing solutions based on our social interest graph recommendation engine that help them reach and engage with their target audience.
- *Full spectrum of tailored solutions*
 - We provide a full spectrum of innovative and tailored advertising and marketing solutions ranging from brand awareness to interest generation, sales conversion and loyalty marketing to cater to the diverse marketing demands of our customers.

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- *Viral effect*
 - Weibo feeds and trends, whether promoted or organic, have the potential to go viral due to the public and distributed nature of our platform. This provides our customers with additional upside value to increase the social elements of their advertising.

Our Commitment to a Better Society

By providing a simple and inspirational way for people and organizations in China and the global Chinese communities to publicly express themselves in real time, interact with others on a global platform with a vast scale and stay connected with the world, Weibo has had a profound social impact in China. Weibo is committed to living up to its social responsibilities and to facilitating meaningful public affairs dialogue. Media outlets use Weibo as a source of information and a distribution channel for their headline news. Government agencies and officials use Weibo as an important official communication channel for disseminating timely information and gauging public opinion to improve public services. Individuals and charities use Weibo to make the world a better place by launching charitable projects, seeking donations and volunteers and leveraging the celebrities and organizations on Weibo to boost their social influence.

As the COVID-19 pandemic unfolded across the country in 2020, Weibo released measures to promote public conversations and to help people find reliable and useful information. Governments, experts, and renowned media outlets played pivotal public service roles, and used their Weibo accounts to reach people with right and timely information. Weibo is proactively seeking ways to amplify this authoritative, official content about the pandemic on its platform by recommending these feeds to show at the top of the flow of users’ feeds and discovery zone. In the first quarter of 2020, over 370 million users viewed pandemic related content while the number of daily views of pandemic related content exceeded 12 billion. To ensure that the users can access information about the pandemic from reliable sources, Weibo had verified over 1,600 new accounts of medical experts, medical staff, patients and their family members, and helped them accumulate approximately 150 million followers in aggregate on Weibo.

We launched Weibo Charity as early as 2012 to allow users to initiate charity projects by posting messages on our platform. Charity organizations and individuals with verified accounts can raise funds and recruit volunteers for public services on Weibo Charity. We leverage the celebrities and KOLs on our platform and work with them to further raise awareness of charitable causes. Weibo Charity has further enriched our content offerings and magnified Weibo’s positive impact on the society.

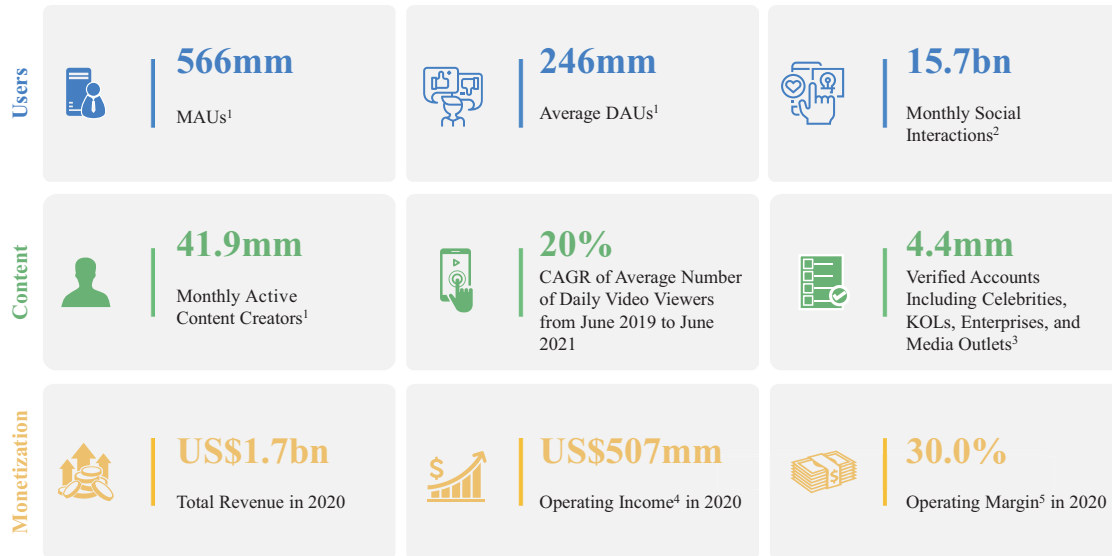
Our Scale and Financial Performance

We began monetization on our platform in 2012, and we have since experienced solid revenue growth and margin expansion. Our revenues increased from US\$1,718.5 million in 2018 to US\$1,766.9 million in 2019 but slightly decreased to US\$1,689.9 million in 2020 mainly due to the negative impact and uncertainties brought forth by the COVID-19 pandemic. Our revenue’s year-on-year growth rate recovered to 10% in the fourth quarter of 2020 and further increased to 42% in the first quarter and 48% in the second quarter of 2021, as the COVID-19 pandemic was gradually contained in China and the advertising demand recovered accordingly.

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We generate revenues primarily from customers who purchase advertising and marketing services, and, to a lesser extent, from fee-based revenues, such as VIP membership. Revenues generated from advertising and marketing services accounted for 88% of our total revenues in 2020 and 86% of our total revenues in the six months ended June 30, 2021. We had income from operations of US\$609.3 million in 2018, US\$597.6 million in 2019 and US\$506.8 million in 2020. Our income from operations increased from US\$164.2 million in the six months ended June 30, 2020 to US\$301.8 million for the same period in 2021.

The following diagram illustrates the metrics that we use to measure our scale and user engagement.



Notes:

- (1) In June 2021.
- (2) In June 2021, social interactions include the activities of Like, Comment, Repost and Follow.
- (3) As of June 30, 2021.
- (4) Income from operations.
- (5) Ratio of income from operations to total revenues.

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our peers.

Pioneer and Leader in Social Media Industry in China

We pioneered China’s social media industry when we launched in 2009 as one of the earliest social media platforms (providing microblogging service) in China, according to the CIC report. Throughout the years, we led the development of and innovation in the industry, according to the CIC report. For instance, Weibo is an early mover and key contributor to the “Internet KOL Economy,” which refers to all activities relating to the monetization of the KOLs’ influence and impact on their fans and social community. We took a unique approach

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towards information feeds, where our content distribution is primarily based on social relationship supplemented by our interest-based recommendation engine. Leveraging our early-mover advantage and our continuous innovations, we have built a high entry barrier in the social media industry in China and developed deep user insights that will continue to help us enhance our products and services.

We are one of the top 3 social media platforms in China in terms of both MAUs and DAUs in June 2021, according to the CIC Report. Our user base has grown rapidly since our inception and reached 566 million MAUs and 246 million average DAUs in June 2021.

As we are the destination of choice where people create, distribute and discover high-quality content of various interests, Weibo has become a unique social media platform with profound social impact in China. Of more than 100,000 Hot Searches generated on Weibo in 2020, around 40% of the Hot Searches were about public events or social affairs, according to the CIC Report. Weibo proactively sought ways to amplify the authoritative, official content about the COVID-19 pandemic on its platform. In the first quarter of 2020, over 370 million users viewed pandemic related content while the daily views of pandemic related content exceeded 12 billion. “Poverty alleviation” related content has generated more than 3,000 topics and over 30 billion views on Weibo’s platform since 2018, according to the CIC Report. By raising awareness to countless social events, Weibo is now more than a social media platform for content distribution. It is playing an indispensable role in promoting public conversions and helping people find real-time and reliable information, and therefore, has made a profound social impact on the Chinese society.

Robust Ecosystem with Powerful Network Effects

We connect users, content creators and customers in a robust, self-reinforcing ecosystem that offers strong value proposition to each participant.

Our large base of content creators acts as a trendsetter for the user base as a whole. There are 4.4 million verified accounts, such as KOLs, influencers, enterprise partners, and media outlets on Weibo as of June 30, 2021. We empower content creators to build up and engage with their fan base and monetize their social assets on Weibo within our ecosystem through diverse monetization methods such as KOL e-commerce, advertising services, etc. Our content creators are therefore motivated to create and distribute more high quality content on our platform, engage with our large base of users in public conversions on our platform, which helps Weibo incur relatively low content costs and achieve higher operating leverage. Our high quality content in turn attracts more customers to promote their products on Weibo through our broad range of innovative advertising services. Many KOLs, MCNs and other users also become customers in order to further build their fan base and brand and to sell their products and services.

We benefit from strong network effects where more users and engagement on Weibo encourages more content creators to share content and capture monetization opportunities on its platform, which attracts more customers with higher advertising efficiency. Weibo’s ecosystem participants are incentivized and rewarded in a sustainable way, resulting in a virtuous and self-reinforcing cycle of value creation and raises significant entry barriers for potential competitors.

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Large, Diverse and Engaged User Base

Since our inception in 2009, we have amassed a large user base. Weibo had 566 million MAUs and 246 million average DAUs in June 2021.

We have demonstrated our proven ability to appeal to younger generations who have a strong need for public conversations and interest-based content consumption. In June 2021, over 75% of our identified MAUs belonged to Generation Z, i.e., the generation that was born in or after 1990, based on our data analytical results. In addition, our success in expanding into lower-tier cities in China has strengthened the growth of our ecosystem. In June 2021, over 85% of our identified MAUs lived in non-tier-1 cities (tier-1 cities include Beijing, Shanghai, Guangzhou and Shenzhen) in China or in overseas cities, based on our data analytical results. Our user demographics and geographical reach are attractive to customers and KOLs who seek to reach a younger and wider audience, which reinforces the virtuous cycle of generating high-quality content.

In addition to our large and diverse user base, there are also significant connections and interactions among users on our platform. Weibo’s ratio of average DAUs to MAUs remains as high as 43% to 45% during the Track Record Period. As of June 30, 2021, we had 318 billion “follow” relationship existing on the platform, demonstrating strong network effect and our competitive moat in the social media industry. In June 2021, our users generated 15.7 billion monthly social interactions on our platform, including the activities of Like, Comment, Repost and Follow, demonstrating users’ high engagement and stickiness to our platform.

Ever-Growing Supply of Rich and Comprehensive Content Offerings

We have built a comprehensive and vibrant content ecosystem that is continuously growing with the evolving interests of our users.

Weibo offers the most comprehensive content formats among social platforms in China, according to the CIC Report. Starting from a social media platform primarily focusing on text and photo, Weibo has been rolling out new formats to meet users’ evolving demands. Now, Weibo users can create, discover, consume and share content of all formats, including text, photo, video, live streaming, audio and topic. In addition, we offer the most comprehensive coverage of content categories among social platforms in China, according to the CIC Report. In June 2021, Weibo had 46 content verticals, such as celebrities and entertainment, humor, media, variety shows and TV programs, fashion, cosmetics, finance and games. Among these content verticals, 28 of them each has over 10 billion monthly view counts.

To capture the growing trend of short video and to cater to the users’ shifting consumption preference towards short video, we have continuously improved the quality, diversity and relevance of video content offerings on our platform by improving and launching new products and features and scaling up the video content generation among top content creators. We launched Video Account program in the second half of 2020 to incentivize Weibo’s top content creators shift towards video creation with our traffic support. As of June 30, 2021, we had over 10 million content creators participating in the Weibo Video Account program, among which over 30,000 content creators had over 1 million followers. We also focus on strengthening the effective distribution of video content in information feeds and video community to boost video content consumption, drive users’ engagement and improve the platform’s video content ecosystem.

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We attract a large number of talented content creators who remain highly engaged and active on our platform. In June 2021, Weibo had 41.9 million monthly active content creators, generating original posts for public self-expression. Furthermore, according to the CIC Report, Weibo has the largest celebrity and KOL network in China. In June 2021, top content creators on Weibo reached 2.3 million, representing a CAGR of 24% from June 2019. As we keep implementing our strategy to increase the engagement for content creators to reach a broader audience through the video format, an increasing number of content creators are incorporating videos in their content creation and distribution on Weibo’s platform.

Our comprehensive content formats, diversified content offerings and distribution, as well as our large base of talented content creators cultivate a vibrant content ecosystem, which enables us to become the go-to social media platform for our users to find diverse content that matches their interests, and for content creators to fully showcase their talent.

Proven and Continuous Growth in Monetization

Starting monetization as early as in 2012, we have since experienced solid revenue growth with margin expansion as our revenues grew at CAGR of 26.7% from 2016 to 2020, and our operating margin improved from 21.5% in 2016 to 30.0% in 2020. We primarily generate revenues from the provision of advertising and marketing services. In 2020, our revenues reached US\$1,689.9 million, with US\$1,486.2 million advertising and marketing revenues. In the six months ended June 30, 2021, our revenues reached US\$1,033.4 million, with US\$892.3 million advertising and marketing revenues.

We have constantly rolled out new and innovative advertising and marketing solutions that were pioneered in the digital advertising market. We are an early mover in launching native ads product that allow advertisers to communicate in a similar format as organic feeds and Real-time Bidding System for information feeds in 2013, the first in China to offer promoted trends and search advertising products in 2014, and an early mover and leading player of KOL marketing solutions in China according to the CIC Report. Leveraging our large user base, and celebrities and KOLs’ influence on Weibo’s platform, our customers are enabled to amplify their visibility and reach of their original marketing campaign on the platform.

To capture the growing trend of video consumption, we have continuously enriched and optimized our video advertising offerings under different video consumption scenarios to deliver better advertising formats and conversion results. To adapt to video content consumption preferences by users, we also rolled out the Watch Plus Product model in 2020, where the promoted product is embedded beneath the user interface of video, so that the viewers can conveniently locate the merchandise and make purchases.

We offer a full spectrum of advertising and marketing solutions ranging from brand awareness to interest generation, sales conversion and loyalty marketing that cater to the diverse needs of customers. For instance, for brand customers, our integrated branding plus performance marketing solutions leverage our unique strength in hot trends, celebrity and KOL marketing and delivery better advertising efficiency. For performance-driven customers, we constantly refine existing products and launch innovative products, such as upgrading Super FST, the real-time bidding ad system and introducing video ad products, to improve the ad placement efficiency and return on investment for customers.

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We leverage our advanced artificial intelligence and data insights to optimize the efficiency of our advertising and marketing products. Our technology and data is constantly enhanced by iteration through our data insights accumulated over our 12 years of operations and from our large and engaging user base.

Cutting-Edge Technological Capabilities and Scalable Infrastructure

Weibo’s platform is based on a scalable infrastructure built from our innovative and proprietary technologies. These systems enable Weibo to deliver the best-in-class experience for users, content creators and customers while distributing huge amount of message, including text, photo, video, live streaming, audio and topics, in real time. As of June 30, 2021, we had a team of 2,770 product development personnel dedicated to technology, data and product development functions. Our product development team is fully involved in all critical operational areas, with an in-depth understanding of our users’ needs.

Our industry-pioneering social interest graph, or SIG, recommendation engine leverages our comprehensive database of users’ social interest graphs, based on users’ engagement actions on our platform, such as Post, Repost, Comment, Like and Follow, and social relationships. The SIG recommendation engine allows us to push the content that the users may find more relevant and interesting, so as to increase user loyalty. We utilize machine learning technologies to semantically understand videos uploaded to our platform, whereby we use this information to accelerate content review of the videos and distribution of the videos on our platform. For example, to improve the user experience for those users we have reactivated through channel investment and hot events, we leverage the SIG recommendation engine to enhance the quality of our content offerings.

Our proprietary hybrid cloud platform can spot hot topics within seconds, automatically and speedily expand its cloud servers within minutes, and support millions of user visits occurring every second. Our distributed storage model allows us to efficiently manage billions of pieces of data while storing data on ordinary servers that are easily scalable, and our geographically distributed architecture enables fast access for users across the country.

Visionary and Experienced Management Team with A Proven Track Record

We have a visionary and experienced management team with strong execution and management capabilities and extensive industry knowledge. Mr. Charles Chao has served as our Chairman of the board of directors since our inception and has been SINA’s Chief Executive Officer since May 2006. Mr. Gaofei Wang has served as our CEO since 2014 and possesses deep entrepreneurship and extensive managerial experience. He has been actively involved in the product and business development of Weibo since its inception.

Other members of our senior management team have extensive and complementary experiences in a wide range of fields, covering technology, internet, entertainment, finance and operations. Our senior management team is entrepreneurial and has constantly launched innovative products and features that pioneered the social media industry in China. Together with Mr. Gaofei Wang, our senior management team led our company to grow Weibo’s user base from 144 million MAU at our IPO in 2014 to 566 million MAU in June 2021, and will continue to execute our growth strategies to achieve a higher level of success.

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OUR STRATEGIES

We intend to achieve our mission and further solidify our unique position by pursuing the following strategies.

Grow Our User Base and Increase User Engagement

User scale and user engagement are fundamental to our business. Leveraging our social platform positioning, we intend to focus on growing our user base and increasing user engagement by continuously improving product functionalities, enriching the content ecosystem and executing effective channel marketing strategies.

We plan to continue to optimize our user products and enhance our recommendation capabilities to deliver the most relevant, timely and interesting contents to users. We will continue to expand our cooperation with top content creators to contribute more high quality contents to our platform and enrich our content ecosystem. We also plan to continuously deepen our collaboration with smartphone manufacturers and programmatic buying partners, so as to improve the user acquisition efficiency and enhance user engagement. For instance, in addition to our organic growth in user base, we plan to expand and deepen our cooperation with smartphone manufacturers to pre-install our Weibo application on new smartphones. Leveraging our strengths in public conversation and social distribution, we will further enhance our competitive advantage in hot trends to attract new and dormant users through content recommendation, and improve user frequency and engagement on our platform.

Further Expand and Improve Our Content Ecosystem

When more and more content creators can thrive on our platform by contributing ever-growing diversified content, we believe our overall user growth, user engagement and commercial value shall flourish as well. Therefore, we plan to further nurture our content ecosystem for our users, customers and content creators.

Enrich content offerings. We plan to enrich the content offerings on our platform by attracting more content creators and KOLs and cooperating with more MCNs. We will help content creators to attract more users through improved content search capability, traffic allocation, and SIG recommendation engine. We also plan to deepen the scale and consumption of our content verticals.

Empower content creators. Leveraging Weibo’s leading position in the social media industry in China, we plan to continuously empower content creators to boost fan engagement and open up monetization opportunities, so as to create a self-reinforcing virtuous cycle for the thriving of our content creators. We will also improve operational efficiency, content quality and platform’s sustainability, which will in turn stimulate content generation and content creators’ interaction with fans.

Promote video content. We will continue enriching the video content offerings by promoting the supply and consumption of video content on our platform. We plan to encourage more top content creators to adopt video as their content creation format. Meanwhile, we will focus on the operation of video content in selected verticals, such as TV series, variety shows and games, to cultivate users’ consumption preference for the differentiated content on our platform, and to further boost users’ loyalty to our platform. In addition, we will introduce innovative features to improve our video recommendation capability so as to recommend more relevant videos to each different user.

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Enhance Monetization Capabilities

We believe we offer a unique value proposition to our customers, as our full spectrum advertising and marketing solutions empower them to reach broad and targeted audiences with viral effect. We will further improve our existing advertising and marketing solutions and develop new solutions to fulfil customers’ demands. We will also diversify our revenue streams through exploring monetization opportunities in non-advertising areas.

Expand our advertising and marketing customer base. We believe that continuous improvements in our advertising and marketing solutions will help us expand the customer base. We plan to broaden our coverage of and penetrate businesses of different scales in different industry sectors to attract new customers from these sectors. We believe the vast and growing number of domestic and emerging brands throughout China present a significant opportunity for our advertising and marketing business.

Improve advertising and marketing solutions. We plan to further reinforce our unique value proposition for customers to capture higher ad wallet share. We will improve our existing advertising and marketing solutions and develop new solutions tailored to various content formats, including videos and live streaming. We intend to improve our SIG abilities to enhance the accuracy and relevance of our advertising.

Diversifying our monetization channels. We plan to further diversify our revenue streams through exploring monetization opportunities in value-added services and offerings, such as a membership service, online games, live streaming and social e-commerce.

Selectively Pursue Strategic Alliances, Investments and Acquisitions

We have adopted a very disciplined approach for investments and acquisitions in the past. As a part of our growth strategy, we have formed strategic alliances and partnerships and completed investments and acquisitions in recent years that are synergistic and complementary to Weibo’s ecosystem.

We will continue to selectively pursue collaborations, investments and acquisitions to complement our current businesses and enhance our growth potentials.

PRODUCTS AND SERVICES

Our product categories include those for users, advertising and marketing customers and platform partners.

Products for Users

Our product development approach is centered on building simple and useful tools to enable our users to access Weibo to discover, create, and distribute content and interact with others on our platform in real time. We employ a “mobile first” philosophy and have designed our platform around the capabilities of mobile devices. We introduced the first generation of the Weibo mobile app in the first quarter of 2010. Our app is compatible with all major mobile operating systems, including Android, iOS and others, and is accessible through mobile apps, mobile websites, computer apps and computer websites. Users can watch videos, read articles, discover hot information feeds and interest-based topics after installing the Weibo app or when visiting Weibo websites. Users registered with a Weibo account can set up their account information, post feeds, upload short videos and post articles. Users can also interact among

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themselves on our platform by following, liking, reposting, adding comments, sending private messages, and participating in topic discussions and group chats. In addition, we officially launched a new product named Oasis in the fourth quarter of 2019, an interest-based social community product for users to share lifestyle related content in the form of photos and short videos.

Starting from a social media platform primarily focusing on text and photo, Weibo has been rolling out new formats, such as video and live streaming, to meet users’ evolving demands. With its continuous efforts in capitalizing on new content formats, Weibo now offers the most comprehensive content format and coverage of content categories and content creators among social platforms in China, according to the CIC Report. Weibo plans to leverage its social attributes and extensive content coverage to attract more users to use Weibo for video posting and consumption. To further improve its competitiveness in video offering, Weibo will promote its Video Account program among its users and accelerate the videolization for Weibo’s content creators. Weibo believes the popularity of the emerging content formats, such as video and live streaming, will further diversify and enhance its content offerings, which will in turn attract more users, forming a thriving self-reinforcing content ecosystem.

Weibo serves a wide range of users including ordinary people, celebrities, KOLs, and other public figures or influencers, as well as media outlets, businesses, government agencies, charities, and other organizations. Weibo has collaborated with industry leading multi-channel networks (MCNs) to provide high-quality content that spans across 46 content verticals in June 2021.

Discovery. We offer the following products to help users discover content on our platform:

- *Information Feed.* We organize and present users with information feed in different forms. Among all our offerings, the two most important and most frequently browsed feeds are relationship-based information feed (follow model) and interest-based information feed, both of which reside on users’ home page.

Each user’s relationship-based information feed displays a flow of feeds posted by that user and other users who he or she has opted to follow. Since Weibo allows users to follow other users without establishing a reciprocal relationship, users are able to personalize who they follow based on their interests. In other words, users can as easily follow celebrities and strangers as they follow friends and acquaintances. To improve user experience, the relationship-based information feed has evolved from a chronological timeline to one with multiple dimensions, including content relevancy, content quality, user interest, user engagement, user relationships, etc. Users can also customize their information feed by classifying followed accounts into different groups, e.g. friends, co-workers, celebrities, finance, sports and view feeds from each group separately.

Interest-based information feeds are timelines of feeds recommended by Weibo based on different interest-based themes. The hot information feed is an example of an interest-based information feed that we present on users’ homepages to recommend feeds on recent popular topics, breaking news and feeds generated through user’s individual interest. We also organize other interest-based information feeds on various themes for users to further explore the topics in which they are interested. For example, the video information feed, which is a timeline of recommended videos that appears after a user finishes watching a short video; and the profile information feed, which can be found on a user’s individual page and shows all of the feeds shared by that user.

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We offer our advertising and marketing customers promoted feeds to amplify their visibility and the reach of their original marketing campaign, thus achieve earned media on our platform. See also “— Products for Advertising and Marketing Customers — Promoted Marketing — Promoted Feeds.”

- *Search.* Our search function allows users to search our large content pool for users, feeds, videos, articles, pictures, etc. based on keywords (hashtag), topics or recent popular trending. Through our powerful search function, users can efficiently acquire the most relevant information they seek in real time.

We offer our advertising and marketing customers promoted search. See also “— Products for Advertising and Marketing Customers — Promoted Trends and Search.”

- *Discovery Zone.* The discovery zone is the interface aggregating Search, Channels, Trends and information feeds for users to conveniently access a variety of content and services based on the user’s current location and topical interests such as games, movie reviews, ticket purchasing, online music streaming, online shopping and live streaming. Users can find content related to their interests and interact with others of the same interests in the discovery zone.

We offer social display advertisements that appear on the discovery zone banner. See “— Products for Advertising and Marketing Customers — Social Display Advertisements.”

- *Channels.* Channels gather users based on particular interests or locations and encourage user engagement through interaction within each channel. Users can visit these Channels to find rich content on topics of interest and interact with other users of similar interest. For example, users can watch live streaming content and movie trailers from the respective Channels and write reviews in the discussion zone. With Weibo’s location-based services, users can locate popular points of interest, find information about them such as show times for movie theaters and menus for restaurants, access coupons, post comments, and see reviews shared by other users.
- *Trends.* Trends are lists of hot topics on Weibo. A user can start a topic discussion by adding hashtags (#) around a word or phrase in a feed. The key word or phrase then becomes searchable with a single click. Top trends are listed in the discovery zone. Users may view feeds under each trending topic and participate in the discussion. Weibo hot search is our hot topic ranking chart which is calculated based on data mining of real-time search data on the Weibo platform, presenting to users the most breaking, real-time and trendy content. It is currently the go-to platform for hot trend discovery, consumption and discussion.

We offer our advertising and marketing customers promoted trends. See also “— Products for Advertising and Marketing Customers — Promoted Trends and Search.”

- *Video Community.* The video community is the interface aggregating and recommending video content from different verticals for users to conveniently access and consume. Users can also interact with video content creators and other platform users within the community. Video content offerings are distributed through relationship-based feed and interest-based feed as well.

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Self-Expression. We offer the following products to enable our users to express themselves on our platform:

- *Post.* Weibo enables users to express and share their ideas, opinions and stories in the form of text and multimedia content. A post is usually composed of text, and can include rich, descriptive and vivid content such as photos, short videos, live streaming and long-form articles.
- *Individual Page.* Each individual user has an Individual Page to express and share ideas, opinions and stories in the form of text and multimedia content. Basic information about a user, including username, introduction, education, location, liked feeds, accounts followed, follower accounts and Weibo account number, is also available on the user’s Page. Individual users with verified authentic identity information will have an orange “V” mark on their profile picture. Weibo VIP membership, which can be purchased mainly through monthly, quarterly, or annual subscriptions, offers certain additional services and functions not available to free users, such as following more users, more personalization of their Pages, additional options to manage information feeds and followers and access to premium games. Business and other organizations with verified identities can apply for enterprise accounts, create an Enterprise Page and will have a blue “V” mark on their profile picture. We enable organizations to customize their Pages and to increase brand awareness, interact with followers, and perform marketing events, promotion activities, and advertisement campaigns on Weibo. We also enable businesses and other organizations to increase their business efficiency by providing various tools. For example, an e-commerce merchant can facilitate purchase activities through Weibo or offer “red envelop,” and drawings to build a follower base.
- *Videos.* Users can continuously create, share and discover full-screen vertical and horizontal short videos. Videos allow users to more easily create and consume content, and have gained popularity quickly among Weibo users, especially younger generation. In addition, user can use tools such as stickers, filters and music to express their personality.
- *Top Articles.* Top Articles satisfies users’ need for content creation and presentation. Users can create beautifully presented content through Top Articles, and then publish their content through Weibo, which will display the content through information feed.
- *Weibo Q&A.* Weibo Q&A is our question-and-answer platform where users can engage in free Q&A as well as paid Q&A. The creation and interaction of user-generated content strengthens user engagement on Weibo.
- *Weibo Live Streaming.* Weibo Live Streaming includes showcase live streaming and media live streaming that satisfies the broadcasting demand of both individual users and business or organization users.

We generate revenues from live streaming by selling virtual items on the Yizhibo platform. See also “Financial Information— Basis of presentation and use of estimates — Revenue Recognition.”

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Social. We offer the following mechanisms to promote social interaction between users on our platform:

- *Follow.* Users can establish relationships with other users by electing to follow them. Feeds that are posted or reposted by a user will automatically appear in the information feed of the user’s followers. Relationships may be asymmetrical. The user being followed does not need to approve the follower’s decision to follow them, although a user can choose to limit access to certain feeds or to blacklist a certain follower.
- *Repost, Comment, Favorite, Like.* By clicking on the Repost button, users can repost feeds from other users. When a feed is reposted, the original author is able to virally reach and influence users beyond that author’s own circle of followers, leveraging the network of the followers of the author’s followers, sometimes many degrees away. Users can add their own comments when they repost and share their view on the original feed with their followers. Users can also leave comments on a feed by clicking on the Comment button. If they like a feed, they can click on the Like button to express their support for the feed. At the bottom of each feed, users can see how many people have Reposted, Commented on or Liked the feed. Users can also save feeds into their favorites by clicking on the Favorite button.
- *Topic Discussion:* By accessing the topic feeds embedded in the Discovery Zone, users can consume hot topics and trends on Weibo, participate in specific topic discussions and interact with other platform users with similar topical interests.
- *Super Topic.* Super Topic is a community product to aggregate content around an influencer or a particular interest for users to follow. Users can join a Super Topic to access curated content, interact with users who share similar interests and participate in topic discussion.
- *@Mention.* Users can involve others into a particular feed and engage with them through @Mention these other users in the feeds. Meanwhile, users can easily participate in topics under which they are mentioned by going to the @Mention Page, which allows users to access all the feeds in which they are mentioned by other users.

Products for Advertising and Marketing Customers

We seek to provide advertising and marketing solutions to enable our customers to promote their brands and conduct effective marketing activities. We provide our customers with analytical tools to enable them to track and improve the effectiveness of their marketing campaigns on our platform. Our advertising and marketing customers include key accounts, Alibaba and SMEs that seek a full spectrum of online advertising and marketing services ranging from brand awareness to interest generation, sales conversion and loyalty marketing.

The prices of our advertising and marketing solutions depend upon various factors, including the format, display location, and duration of the advertisements. We generally enter into agreements with standard terms and conditions with advertisers and advertising agencies. From time to time, we may provide sales rebates to advertising agencies. For a detailed description of our pricing models for advertising and marketing solutions, see “Financial Information – Critical Accounting Policies and Estimates – Basis of presentation and use of estimates – Revenue Recognition – Advertising and Marketing Revenues.”

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Social Display Advertisements. Social display advertisements appear on the app’s opening page, the Discovery Zone banner and the website home page banner. When users click on a display advertisement, they may be redirected to the advertiser’s Weibo Page or a product page on other platforms for further engagement or conversion. Social display advertisements mainly serve key account customers.

Promoted Marketing. Leveraging our large and engaged user base, and celebrities and KOLs’ influence on Weibo platform, our customers are enabled to amplify their visibility and the reach of their original marketing campaign, and thus achieve earned media on our platform. Our promoted marketing offerings include the following:

- *Promoted Feeds.* Promoted feeds appear in the user’s information feed alongside organic feeds. We encourage our customers to produce feeds that have relevant information value similar to that of the users’ organic feeds. Customers may use our SIG recommendation engine to better target their audience and improve the relevancy of the advertisement to the users. Super FST is an advertising platform specifically for our promoted feeds advertising products under a real time bidding system. By leveraging Weibo’s data insights, Super FST can help customers precisely target users based on user attributes and social relations, enabling customers to achieve marketing objectives such as improving customers’ branding, increasing website visits and advertisement conversion rate, growing fan bases, increasing app installation rates and collecting sales leads. Customer can place information feeds advertisements either through our authorized distributor, or directly by themselves on Super FST. Super FST provides various advertising formats, such as multi-image post, image-text, video and matrix advertisements. Some of our differentiated promoted feeds advertising offerings include:
 - Fans Headline is a promoted service that guarantees a certain feed from the customer will appear at the top of the information feeds of the customer’s followers or the audience that the customer would like to target, enabling customers to leverage celebrities and KOLs’ rising influence on our platform.
 - Weibo Express is a promoted service mainly offered to key accounts or customers with brand awareness purpose to reach and engage with a broad range of Weibo users; and
- *Promoted Trends and Search.* Promoted trends and search products appear alongside user’s organic trends discovery and search behaviors, based on keywords, topics and trends. Promoted trends, which are labeled as “promoted,” appear among the list of trending topics, and can be virally distributed to reach broader audience on the platform. When a user clicks on a promoted trend, he will be redirected to the sponsor’s landing page. Promoted searches usually appear as the default keyword or topic in the search bar when triggered by users’ search behaviors of certain sponsored keyword or topic.

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Products for Platform Partners

We seek to provide our platform partners with abundant tools and services, which improves Weibo’s content ecosystem with more diverse and high quality content, increases user engagement, enhances user experience, expands user scale and strengthens platform influence. Our platform partners include traditional and online media outlets, copyright content providers, KOLs, MCNs and other self-media, as well as app developers and data suppliers. We offer different products tailored to different types of platform partners, including:

Products for copyright content providers. We work with TV channels, online video websites and operators with copyright content through traffic resource exchange and content traffic sharing. Such cooperation enriches Weibo’s content ecosystem with diversified video content and strengthens Weibo’s brands influence, while at the same time enhancing partners’ user scales, and their brands influence.

- *Standardized products.* Our standardized products to platform partners include, among others, Trends, Search, Video/Live Streaming, and Editing tools.
- *Customized products.* We provide customized products such as content customization, pooling of copyright contents and user interaction development to our platform partners.
- *Resource services.* We provide our platform partners with operational resources to expand their brand influence, such as search list recommendation, trends list recommendation and Weibo app opening advertisements.

Products for KOLs, MCNs and other self-media. Self-media refers to organization partners with the ability to manage and provide services to top content creators on Weibo, such as MCNs, unions and e-commerce partners. These top content creators produce various types of content on Weibo in the form of video, live stream, images and text. We provide self-media with standardized products and services to help them build up and monetize social assets, which in return enables them to produce more content and attracts more self-medias to our platform. Our products and services to them include:

- *Back-end management.* We provide standardized and specialized back-end management allowing KOLs and self-media to monitor their traffic performance and manage their accounts in a scalable manner. Our back-end management services include, among others, management of accounts, data, resources and growth.
- *Traffic supports.* We provide traffic distribution supports such as account recommendation, content recommendation and access to certain exclusive functions.
- *Product services.* We provide self-media with product solutions for better displaying and promotion of its account and content through various channels, including information feeds, video feeds and users’ home pages.

Products for other app developers. Under user consent, our open application platform allows users to log into third-party applications with their Weibo account, which enables sharing of third-party content on our platform. User privacy is strictly protected during the authorization to third-party applications, which only have access to users’ basic public information. This product helps mobile app developers to acquire users while helps Weibo to acquire shared content from other apps and platforms.

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Platform partners when purchasing our advertising and marketing solutions as specified above, will enter into agreements with us having the standard terms and conditions with advertisers and advertising agencies. For a detailed description of our pricing models for advertising and marketing solutions, see “Financial Information — Critical Accounting Policies and Estimates — Basis of presentation and use of estimates — Revenue Recognition — Advertising and Marketing Revenues.” Platform partners, when creating, sharing, and distributing content on our platform, can use our features for users. Platform partners, including MCNs and KOLs, may enter into service agreements with us, which generally include revenue sharing arrangements for revenues generated from advertising and membership subscription in association with content that they created and posted on our platform. See “— Products and Services — Products for Users.” Some of our platform partners are also our suppliers, and we enter into agreements with them for activities such as purchasing copyright contents.

Weibo Wallet. Our Weibo wallet product enables platform partners to conduct interest generation activities on Weibo, such as handing out “red envelopes” and coupons to other users to build a bigger and more active fan base, and drive purchase conversion. Weibo wallet also enables individual users to purchase different types of products and services on Weibo, including those offered by us, such as marketing services and VIP membership, and those offered by our platform partners, such as e-commerce merchandises, financial products and virtual gifts.

COMPETITION

We provide online social media services for users in China and the global Chinese communities. The social media industry is highly competitive and rapidly changing due to the quickly evolving market demand and user preferences. As a result, we face significant competition for user traffic, user engagement and advertising and marketing spending from a wide array of existing and potential competitors who may launch new websites, apps, platforms or services at a relatively low cost. Many companies offer various content and services that compete with our offerings. With the growth rate of the overall size of the internet community slowing down, the industry is evolving rapidly while witnessing rising competition for traffic and user time. See “Industry Overview — Competitive Landscapes for Social Platforms” and “Industry Overview — Competitive Landscape for Social Media Platforms”.

We are a media platform in nature, and major Chinese internet companies, such as Tencent and Bytedance, that provide online media, including content aggregation and distribution services, compete directly with us for user traffic and user engagement, content, talent and marketing resources. In addition, as a social media platform featuring social networking services and providing a rich variety of multimedia contents, we are subject to intense competition from providers of similar services, such as social networking platforms and multimedia content platforms with social features. We are subject to intense competition from providers of similar services as well as potentially new types of online services. These services include (i) messengers and other social apps and sites, such as Weixin/WeChat, QQ Mobile, Qzone Mobile and Momo; (ii) news apps and sites, such as those operated by other major internet companies, including Tencent, Bytedance, Baidu, NetEase, Sohu and Phoenix News Media; (iii) multimedia apps (photo, video and live streaming, etc.), such as Douyin/TikTok, Kuaishou, Bilibili, iQiyi, Tencent Video, Youku, Xigua Video, Red (Xiaohongshu), Momo and JOYY. In addition, as a media platform in nature, we also compete with traditional media companies for audiences and content. See “Risk factors — If we are unable to compete effectively for user traffic or user engagement, our business and operating results may be materially and adversely affected.”

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For value-added services, we offer membership services, live streaming tools, game services and social commerce solutions to users that enable them to conduct related activities on our platform. Consequently, our value-added service offerings compete with platforms which provide similar services to users. In addition to direct competition, we face indirect competition from companies that sponsor or maintain high traffic volume websites or provide an initial point of entry for internet users, including but not limited to providers of search services, web browsers and navigation pages.

We also face significant competition for advertising and marketing spending. A substantial majority of our revenues is generated from the sale of advertising and marketing services. We compete against online and mobile businesses that offer such services, including but not limited to online media platforms, social media and social networking platforms and multimedia content platforms. We also compete with internet companies that offer online-to-offline, purchase solutions and other performance-based advertising services and digital media tailored to vertical industries, such as automobile, IT and travel. We also compete against traditional media outlets, such as television, radio and print, for advertising and marketing spending.

Some of our larger competitors have substantially broader product or service offerings and leverage their relationships based on other products or services to gain a larger share of advertising and marketing budgets. We believe that our ability to compete effectively for advertising and marketing spending depends upon many factors, including the size, composition and engagement of our user base, our advertisement targeting capabilities, market acceptance of our advertising and marketing services, our marketing and selling efforts, the return our customers receive from our advertising and marketing services and the strength and reputation of our brands. See “Risk Factors — Risks Relating to Our Business — If we are unable to compete effectively for advertising and marketing spending, our business and operating results may be materially and adversely affected.”

We may also face increasing competition from global social media, social networking services and messengers. Some of our competitors may have substantially more cash, traffic, technical and other resources than we do. See “Risk Factors — Risks Relating to Our Business — If we are unable to compete effectively for user traffic or user engagement, our business and operating results may be materially and adversely affected.”

We experience significant competition for highly skilled personnel, including management, engineers, designers and product managers. Our growth strategy depends in part on our ability to retain our existing personnel and add additional highly skilled employees. See “Risk Factors — Risks Relating to Our Business — Our business and growth could suffer if we are unable to hire and retain key personnel.”

TECHNOLOGY, RESEARCH AND DEVELOPMENT

Built on our proprietary technology, including machine learning and cloud computing, we have developed a leading social media platform to satisfy users’ customized content consumption need. We devote substantial research and development resources in the areas of artificial intelligence, cloud computing, big-data analytics, as well as live streaming related areas.

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Unified Platform. We have developed a unified, open platform that allows our users, customers and platform partners to access a vast amount of content on Weibo from mobile devices, personal computers and other internet-enabled devices in real time. Our platform adopts service-oriented architecture that allows easy up-scaling and frequent upgrading of our products. Our platform is built on technologies that can process and analyze bulk data generated by millions of users instantaneously.

Artificial Intelligence. We have in-house designed a social interest graph recommendation engine. We have developed a comprehensive database of our users’ social interest graphs based on user actions such as Post, Repost, Comment, Like and Follow, and social relationships. Our SIG recommendation engine employs multiple algorithms, making it capable of realizing hyperscale online training, allowing us and our customers to push content to Weibo users that they are more likely to find interesting and relevant. We continually refine our recommendation engine to improve the relevance of information we push to users to increase user stickiness. In addition, we believe that advertisements can gain greater relevance from social context and become part of the user experience rather than an interruption of it.

Cloud Computing. Our hybrid cloud platform can spot hot topics within seconds, automatically and speedily expand our cloud servers within minutes, and support millions of user visits occurring every second. Our proprietary model optimizes and facilitates efficient data storage by dividing data into different levels. This distributed storage model allows us to efficiently manage huge amount of data while storing data on ordinary servers that are easily scalable. Our geographically distributed architecture enables fast access for users across the country. Weibo, as the main distribution platform for China’s major hot topics, has been providing users with stable and smooth visiting experiences, even when its peak user access traffic was constantly refreshed by itself from time to time upon hot topics on its platform.

Video Platform. Our video platform supports media content in multiple formats. We have upgraded our video encoder, making it possible to provide quality visual effects even when end users’ bandwidths are limited. We invented a video orchestration engine, which has significantly increased the efficiency to process videos and the speed for users to upload videos. We utilize machine learning technologies to semantically understand videos uploaded to our platform, whereby we extract texts, basic features from videos to generate content labels, interest-based themes and video fingerprint information. We use these information to accelerate content review of the videos and distribution of the videos on our platform.

Live Streaming System. We have developed a smart dispatch system that links push streaming with node load balancing and optimal path finding technologies, which adjusts video caches to adapt to different networks and ensures video quality and stability in live streaming. We have upgraded our live streaming engine to support millions of users watching live streaming simultaneously and to improve user experience with lower network latency even in poor internet conditions.

We are passionate about developing new and innovative products and services that will create a better user experience. We recorded product development expenses of US\$249.9 million, US\$284.4 million, US\$324.1 million and US\$198.0 million in 2018, 2019, 2020 and for the six months ended June 30, 2021, respectively. The increase from 2019 to 2020 was primarily attributable to a growth of US\$22.7 million in personnel-related expenses arising from a larger product development team and higher salaries, and an increase of US\$11.2 million in infrastructure costs. The increase from 2018 to 2019 was mainly attributable to an increase of US\$12.4 million in personnel-related expenses arising from higher salaries, an increase of

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US\$7.4 million in stock-based compensation, an increase of US\$6.7 million in outside labor cost and an increase of US\$6.6 million in infrastructure cost. The increase from the six months ended June 30, 2020 to the six months ended June 30, 2021 was primarily due to an increase of US\$29.7 million in personnel-related expenses, an increase of US\$3.8 million in stock-based compensation, and an increase of US\$8.3 million in amortization of intangible assets. Our product development team consisted of 2,374 members as of December 31, 2018, 2,364 members as of December 31, 2019, 2,709 members as of December 31, 2020, and 2,770 members as of June 30, 2021. They are responsible for developing, operating and maintaining our products.

SALES AND MARKETING

We maintain our own sales operations team. We transact business directly with key account customers or through third-party advertising agencies and with SMEs primarily through our distribution network.

Due to the expertise required to carry out an effective online marketing campaign, key accounts usually hire advertising agencies to handle their internet brand campaigns. These advertising agencies provide a broad spectrum of internet marketing and advertising services. Our sales team leverages Weibo’s unique position and advantages in social marketing to assist key account customers or their advertising agencies throughout their advertising campaign cycle, from designing advertisement campaigns and crafting advertisements in different formats to executing social marketing campaigns and providing analytical tracking.

Our distribution network for SME customers includes local distributors throughout China. Our distributors provide numerous services, including identifying customers, collecting payments, assisting customers in setting up their accounts with us, and engaging in other marketing and educational services aimed at acquiring customers. We have relied on distributors for several reasons. Our SME customer base in China is geographically diverse and fragmented, located in different regions in China. Moreover, SMEs are generally less experienced with online advertising and marketing as compared to large companies and, therefore, benefit from the support provided by distributors. Distributors serve as an efficient channel for us to reach SME customers throughout China and collect payments from them. We require distributors to staff dedicated customer service representatives for our SME customers. We provide periodic training programs to our distributors to maintain the service quality of our distributors and strengthen our relationships with them. In addition, we also offer marketing services through our self-service platform on Weibo.

SINA acts as our agent in servicing our advertising and marketing clients. We have signed an agreement with SINA relating to these sales and marketing services. See “Related Party Transactions — Our Relationship with SINA — (iv) Sales and Marketing Services Agreement.” We will continue to offer integrated solutions to customers with both SINA’s and our advertising and marketing solutions. We believe that our advertising and marketing solutions are complementary to SINA’s.

We believe that our position as a leading social media platform in China has given us widespread name recognition. We focus on continually improving the quality of our products and services to strengthen our brand, as we believe satisfied users and customers are more likely to recommend our products and services to others. While word of mouth has helped us, we also make selective use of advertising, promotions and special events to promote Weibo awareness and usage.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Weibo is committed to living up to its social responsibilities and to facilitate meaningful public affairs dialogue. Media outlets use Weibo as a source of information and a distribution channel for their headline news. Government agencies and officials use Weibo as an important official communication channel for disseminating timely information and gauging public opinion to improve public services. Individuals and charities use Weibo to make the world a better place by launching charitable projects, seeking donations and volunteers and leveraging the celebrities and organizations on Weibo to boost their social influence. For example, when the COVID-19 pandemic unfolded across China in 2020, Weibo released a series of measures to promote public conversations and to help people find reliable and useful information. In addition, we launched Weibo Charity as early as 2012 to allow users to initiate charity projects by posting messages on our platform. For detailed discussions, see “Business — Our Commitment to a Better Society.”

We commit to actively embracing different identities and individuals and to promote the value of an inclusive and diverse culture with gender equality, which we believe attracts the best talent. We adopted gender equality policy in making decisions over recruitment, training, promotion, salary, benefits and other human resources management activities. Adhering to our equal employment and development principle, our human resources decisions shall be based on each employee’s work performance, motivation, quality and specialty, regardless of gender, and in compliance with relevant rules and regulations. We continuously analyze and monitor organizational and diversity issues, including the gender and diversity composition of human resources at various levels. Women hold various leader roles in our company, including Ms. Hong Du, our director, and Ms. Fei Cao, our chief financial officer. We will continue to work towards enhancing the gender diversity of our Board, including use our best endeavors to, within three years after the Listing, identify and recommend at least one female candidate to our Board for its consideration on appointment of a director, with the goal to achieve a higher percentage of female board representatives, subject to our Directors (i) being satisfied with the competence and experience of the relevant candidates after a holistic review process based on reasonable criteria; and (ii) fulfilling their fiduciary duties to act in the best interest of our company and the shareholders as a whole when deliberating on the appointment. We target to maintain a culture of inclusion and diversity through activities such as providing trainings over gender and inclusion, prevention of sexual harassment, and protection from sexual exploitation and abuse.

We are committed to carbon mitigation measures and will continue to explore ways to further improve energy efficiency. We ask our employees to be mindful of the environment when consuming office supplies. Furthermore, some of the content offered on Weibo platform is dedicated to the environmental protection topics. Leveraging the various forms of content and tools we offer to content creators, environmentalists are well equipped to create and share content on Weibo platform centered on environmental issues, which raises environmental protection awareness among the viewers. Our business is generally subject to relevant PRC national and local environmental laws and regulations. However, our operations do not produce or discharge any industrial waste which is hazardous to the environment. As confirmed by our PRC Legal Adviser, we are not required to obtain any approvals or certificates that are applicable to environmental laws and regulations in the PRC.

We have formulated and implemented various workplace safety policies and procedures to ensure that our employees have a safe working environment. During the Track Record Period, none of our employees were involved in any major accidents in their workplaces.

INTELLECTUAL PROPERTY

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. As of June 30, 2021, we have registered 193 patents and applied for an additional 218 patents with the PRC State Intellectual Property Office. As of June 30, 2021, we have registered 302 software copyrights with the PRC National Copyright Administration. We have also registered domain names, including weibo.com, weibo.cn and weibo.com.cn. We have obtained an exclusive, perpetual, worldwide and royalty-free license from SINA to use its “ 新浪微博”  and “ 新浪微博” trademarks.

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We have implemented procedures to reduce the likelihood that content published on Weibo might be used without proper licenses or third-party consents. For example, we request users to agree to the terms and conditions set forth in the user agreement of our platform, including agreeing not to infringe the intellectual property rights of others. We leverage our technology to monitor and protect original content on our platform. For example, we have launched a self-protection function for video content creators, and the fingerprint trails of their videos will be extracted and saved in our system. Our system will compare against the fingerprint trails extracted from the newly uploaded video by third parties, then send to our screening team for second-level manual review. We will replace the infringing content with the link to the original content. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. Monitoring unauthorized use of our technology is difficult and costly, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States. From time to time, we may have to resort to litigation to enforce or defend our intellectual property rights, which could result in substantial costs and diversion of our resources.

In addition, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. In the event of a successful claim of infringement and our failure or inability to develop non-infringing technology or license the infringed or similar technology on a timely basis, our business could be harmed. In addition, even if we are able to license the infringed or similar technology, license fees could be substantial and may adversely affect our results of operations.

During the Track Record Period, there have been no intellectual property infringement claims which, individually or in the aggregate, in our opinion, would have a material and adverse effect on our business, financial condition or results. See “Risk Factors — Risks Relating to Our Business — We may not be able to adequately protect our intellectual property, which could cause us to be less competitive” and “Risk Factors — Risks Relating to Our Business — We may be subject to intellectual property infringement claims or other allegations by third parties for information or content displayed on, retrieved from or linked to our platform, or distributed to our users, which may materially and adversely affect our business, financial condition and prospects.”

SEASONALITY

Weibo has experienced seasonality in its online advertising business. Historically, advertising spending tends to be the lowest in the first quarter of each calendar year due to long holidays around the Lunar New Year. Past performance may not be indicative of future trends, as the mix of advertising industry sectors, which may have different seasonality factors, may shift from quarter to quarter.

CUSTOMERS AND SUPPLIERS

Our five largest suppliers, who are generally marketing or bandwidth services providers, accounted for less than 30% of our purchases for each of the years and periods over the Track Record Period. Our five largest customers accounted for less than 30% of our total net revenues for each of the years and periods over the Track Record Period. We mainly provided advertising and marketing solutions over the Track Record Period to our major customers to promote their brands and conduct effective marketing activities. As of the Latest Practicable Date, based on publicly available information, none of our directors or their close associates (as defined in the Hong Kong Listing Rules) held a 5% or more shareholding interest in our top five suppliers.

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RISK MANAGEMENT AND INTERNAL CONTROL

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems. We continually review the implementation of our risk management and internal control policies and procedures to enhance their effectiveness and sufficiency.

Financial reporting risk management

We have a set of accounting policies in place in connection with our financial reporting risk management, such as financial reporting management policy and treasury management policy. Our finance department reviews our management accounts based on such policies. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Internal control risk management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our internal control team works closely with our legal, finance and business departments to: (a) perform risk assessments and advise risk management strategies; (b) improve business process efficiency and monitor internal control effectiveness; and (c) promote risk awareness throughout our Company.

We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operation, and our internal control team conducts regular reviews to monitor the status and effectiveness of those licenses and approvals. Our in-house legal department works with relevant business departments to obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

We have taken various measures in order to comply with PRC laws and regulations governing distribution of information over the internet and the verification of users' identities. We utilize a real-name system to authenticate the identities of our users and live streaming hosts. We verify identities through mobile phone numbers when any user or live streaming host register a Weibo account. We request users to agree to the terms and conditions set forth in the user agreement of our platform. Pursuant to the user agreement, each user undertakes to, among others, (i) use the authentic identity and personal information to register a Weibo account to create, publish and distribute information, and (ii) not to upload or distribute content that violates any PRC laws or regulations or infringes the intellectual property rights of others. We have implemented a content-filtering system, which adopts a machine plus manual approach. We employ technologies such as AI capture and key words detection to detect illegal or inappropriate content. Our review team is on 24/7 shifts to ensure sufficient manpower to monitor content on our platform.

We have taken various measures in order to comply with PRC laws and regulations governing advertisements. We have established a comprehensive system to review and monitor the content of advertisements, including a robust advertisement registration, review, and filing management system. We request every advertising account to provide us with its business license for our review before publishing advertisements. We will cross-check the documents certifying the advertisement content provided by the advertising account against the actual

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advertisements in accordance with PRC laws and regulations. We adopt a machine plus manual approach to review the content of advertisements. We employ technologies such as AI capture and key words detection to detect illegal or inappropriate content in advertisements before publishing them online. We have established a special taskforce for content review of advertisements, which consist of qualification review team, content review team, quality control team and data system refinement team, among others. All of the team members are required to receive trainings and pass examinations prior to being on board, and also need to pass regular tests afterwards. Our advertisement inspection team is on 24/7 shifts to inspect the content of advertisements through various channels such as designated advertisement review public account and email box. In the event that an advertisement is found to contain harmful or illegal content, we will immediately delete such advertisement or freeze the publisher’s account. We have developed a system to monitor the landing page of advertisements to further detect and curb illegal marketing practices.

We have taken various measures in order to comply with PRC laws and regulations governing anti-monopoly and competitions. Based on the requirements under Anti-Monopoly Law (《中華人民共和國反壟斷法》), Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《國務院反壟斷委員會關於平台經濟領域的反壟斷指南》), Anti-Monopoly Compliance Guideline for Operators (《經營者反壟斷合規指南》) and other relevant rules and regulations, we have established a comprehensive system to internally review our investment and acquisitions, so as to assess their implications under PRC anti-monopoly laws and regulations and the necessity to make filings with any competent PRC regulatory authorities. This system includes detailed procedures, methods, preparation and record keeping requirements, supervision policies and penalties in relation to the internal review and assessment. We have also established a special task force to oversee our applications for investment and acquisitions under this internal review system, and to support and assist the subsidiaries within our group for the review and assessment over their investment and acquisitions.

Data and technology system risk management

Sufficient maintenance, storage and protection of user data and other related information is critical to our business. We dedicate significant resources to developing and implementing programs designed to protect user privacy, promote a safe environment and ensure the security of user data.

We require our users to accept terms of services under which they agree to provide certain personal information to us, to have established information security systems protect user privacy and to have such information filed with the MIIT or its local branch as required.

We have taken various steps in order to comply with applicable data security and data protection requirements. Specifically, we collect personal information and data from users only with their prior consent and make reasonable efforts to prevent the unauthorized use of user data. We update our user privacy policy, *Weibo Personal Information Protection Policy*, on a regular basis in order to reflect any new data protection rules and policies. In our policy, we have clearly set forth how we will collect, protect and store personal information that is being collected. For instance, we will collect a user’s profile name, email address and phone number when this user registers an account on our platform. When a user logs into our platform through a third party platform, we will collect his or her profile picture, profile name and location, the purposes of which is mainly to complete real-name identification on our platform.

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In addition, we have implemented enhanced data security measures and technologies, adopted a data classification and grading system which offers various levels of data protection, strictly limited internal access to user data on a need-to-know basis, and encrypted and desensitized user data whenever necessary. We have also appointed a team of dedicated data protection professionals who are responsible for designing and monitoring data security management and emergency response. Data access attempts by any third party are subject to our formal evaluation and approval procedure based on the necessity and scope of the access attempts and appropriate consent from users. We typically provide third parties with anonymized and de-identified personal information and require such third parties to undertake equivalent data protection measures.

Although we and our PRC legal adviser believe that we have effective measures in place to ensure compliance with applicable PRC laws and regulations relating to privacy and data collection in all material respects, there are substantial uncertainties with respect to the interpretation and implementation of these data security laws and regulations since data security laws and regulations are relatively new. As such, we cannot assure you that our privacy and data protection measures are, and will be, always considered sufficient under applicable laws and regulations. Weibo may need to adjust its business to comply with data security requirements from time to time. Weibo has made significant efforts to comply with existing laws and regulations. Weibo will maintain active communication with the regulatory authorities and will rectify any problems as soon as possible, if any.

Human resources risk management

We provide regular and specialized training tailored to the needs of our employees in different departments and compliance policies. We regularly organize internal training sessions conducted by senior employees or outside consultants. We have in place a code of business conduct and ethics approved by our board of directors which is distributed to all our employees. We have in place an anti-bribery and corruption policy to safeguard against any corruption within our Company. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. We make our internal reporting channel open and available for our staff to report any bribery and corruption acts. Any reported incidents and personnel will be investigated and appropriate measures will be taken.

Investment risk management

We invest in or acquire businesses that are complementary to our business, such as businesses that can expand our content and service offerings. In order to control the risks associated with our investments, we generally request our investee companies to grant us customary investor protective rights.

Our investment department is responsible for reviewing investment proposals made by relevant business units. Our finance and legal departments cooperate with the deal team on deal analysis, communication, execution, risk control and reporting. After investing in a company, our investment department monitors the deal performance on a regular basis.

Audit committee oversight

We have established an audit committee to monitor the implementation of our risk management policies across our company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations.

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Our audit committee consists of Mr. P Christopher Lu and Mr. Pehong Chen, both of whom are independent non-executive directors. Mr. Lu is the chairman of our audit committee. For the professional qualifications and experiences of the members of our audit committee, see “Directors and Senior Management.”

EMPLOYEES

We had 4,350, 4,126, 5,073 and 5,430 employees, respectively as of December 31, 2018, 2019 and 2020, and June 30, 2021. Our employees are mainly based in Beijing, Shanghai, Tianjin, Guangzhou and Hangzhou. The following table sets forth the numbers of our employees categorized by function as of December 31, 2020 and June 30, 2021:

Function:	Number of Employees	
	As of December 31, 2020	As of June 30, 2021
Operations	879	942
Sales, customer service and marketing	1,376	1,586
Product development	2,709	2,770
General administration and human resources	109	132
Total	<u>5,073</u>	<u>5,430</u>

The employee numbers in this “Business — Employees” section do not include employees of SINA who spend part of their time working for our business and who have part of their staff-related expenses allocated to us.

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including housing, pension, medical insurance and unemployment insurance. We are required under Chinese law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

We typically enter into standard confidentiality and non-complete agreements with our management and product development personnel. These contracts include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and up to two years after the termination of his or her employment, provided that we pay compensation as specified under the agreement during the restriction period after the termination.

From time to time we employ independent contractors to support our production, engineering, marketing and sales departments. The staff expenses related to the independent contractors recorded in 2020 and the six months ended June 30, 2021 were not significant.

We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes. None of our employees are represented by labor unions.

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PROPERTIES

Our headquarters and our principal product development facilities are located in Beijing. As of June 30, 2021, we have leased approximately 25,000 square meters of office space mainly in Beijing, Shanghai and Tianjin. These leases have various expiration dates. In addition, SINA allocates rental expenses to us for some of its office space where SINA employees devote part of their time to providing services to us or where SINA shares certain office space (SINA Plaza) with us for our employees to use.

The servers that support our products and services are primarily maintained at China Telecommunications Corporation, or China Telecom, China Unicom branches, Ali Cloud and Huawei Cloud services in cities across China, as well as servers located in Taipei, Santa Clara, California and Hong Kong. We share the use of domestic servers with SINA during the ordinary course of our business. Maintenance and repair are the responsibility of SINA employees for the time being. See “Related Party Transactions — Our Relationship with SINA.”

As of the Latest Practicable Date, we have not registered most of our lease agreements with the relevant government authorities. The failure to register the lease agreements for our leased properties will not affect the validity of these lease agreements, but the competent housing authorities may order us to register the lease agreements in a prescribed period of time and impose a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease agreement if we fail to complete the registration within the prescribed timeframe. As at the Latest Practicable Date, we have not received any notification from any competent authority in the PRC in relation to the non-registration of lease agreements. For more details of the risks and uncertainties, see “Risk Factors — Risks Relating to Doing Business in the People’s Republic of China — We face certain risks relating to the real properties that we lease.”

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by Chinese laws and regulations and in accordance with the commercial practices in our industry. Our employee-related insurance consists of pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds, as required by Chinese laws and regulations. To comply with these laws and regulations, we have caused all of our full-time employees to enter into labor contracts and provide our employees with the proper welfare and employment benefits.

We have limited business liability or disruption insurance coverage for our operations. During the Track Record Period, we did not make any material insurance claims in relation to our business, see “Risk Factors — Risks Relating to Our Business — We have limited business insurance coverage.”

LEGAL PROCEEDINGS AND COMPLIANCE

From time to time, we have been involved in litigation or other disputes regarding, among other things, copyright and trademark infringement, defamation, unfair competition and labor disputes. For example, our company has been named as a defendant in two civil actions filed in Texas and in California by the same individual plaintiff, alleging that her rights under the Fourteenth Amendment to the United States Constitution were violated when our company allegedly shut down her Weibo accounts without good cause. Both lawsuits have been dismissed.

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For many of these legal proceedings, we are currently unable to estimate the reasonably possible loss or a range of reasonably possible loss as the proceedings are in the early stages, or there is a lack of clear or consistent interpretation of laws specific to the industry-specific complaints among different jurisdictions. As a result, there is considerable uncertainty regarding the timing or ultimate resolution of such proceedings, which includes eventual loss, fine, penalty or business impact, if any, and therefore, an estimate for the reasonably possible loss or a range of reasonably possible loss cannot be made. With respect to the limited number of proceedings for which we are able to estimate the reasonably possible loss or the range of reasonably possible loss, such estimates are immaterial. We believe that such proceedings, individually and in the aggregate, when finally resolved, are not reasonably likely to have a material and adverse effect on our results of operations, financial position and cash flows.

During the Track Record Period, we paid an aggregate of approximately RMB14.2 million to claimants of legal proceedings. As of the Latest Practicable Date, there were seven material outstanding claims, which represent claims in excess of RMB10 million, with an aggregate claim amount of approximately RMB108.1 million. Among these seven outstanding claims, Weibo was named as defendant in only one claim for an amount of approximately RMB15.1 million.

The following table sets out a list of licenses and permits that are material for our business operation in China currently held by us.

<u>License/Permit</u>	<u>Entity Holding the License/Permit</u>	<u>Expiration Date</u>
Value-Added Telecommunications Services Operating License (增值電信業務經營許可證) (information services, excluding internet content provision services)	Weimeng	June 26, 2024
Value-Added Telecommunications Services Operating License for Internet Content Provision Services (including news, medicine and medical devices, culture and excluding information search and query services, instant information interaction services) (增值電信業務經營許可證), or Internet Content Provision License (互聯網信息服務許可證)	Weimeng	May 20, 2025
Surveying and Mapping Qualification Certificate (測繪資質證書)	Weimeng	October 11, 2026
Internet Drug Information Service Qualification Certificate (互聯網藥品信息服務資格證書)	Weimeng	June 17, 2025
Radio and Television Program Production and Operation License (including the production and distribution of animated programs, features programs and television entertainment programs; and excluding the production of current political news or similar special topics, columns and other relevant radio and television programs) (廣播電視節目製作經營許可證)	Weimeng	October 29, 2022

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License/Permit	Entity Holding the License/Permit	Expiration Date
Online Culture Operating License (use the information network to operate music entertainment products, perform plays (programs), animated products, exhibitions, competitions and performances of network cultural products) (網絡文化經營許可證)	Weimeng	December 30, 2023
Commercial Performance License (including the operation of performances and brokerage business) (營業性演出許可證)	Weimeng	September 29, 2022
Internet News and Information Service License (including the Internet News and Information Reprint Service and Communication Platform Service) (互聯網新聞信息服務許可證)	Weimeng	July 29, 2022
Internet Content Provision License (including culture and excluding information search and query services, instant information exchange services) (互聯網信息服務許可證)	Weibo Interactive	May 16, 2023

We and our PRC Legal Adviser are of the view that, except for the non-compliance incidents disclosed, including the lack of the Internet Publishing Permit (《網絡出版服務許可證》) and the Audio/Video Program Transmission License (《信息網絡傳播視聽節目許可證》), see “Risk Factors — We may be adversely affected by the complexity, uncertainties and changes in PRC licensing and regulation of internet businesses,” the Major Subsidiaries’ businesses complied with the material PRC laws and regulations applicable during the Track Record Period and up to the Latest Practicable Date, and there is no legal impediment for us to renew these material licenses and permits when they expire as long as we comply with the requirements for renewing such permits and licenses.

The Administrative Provisions on Online Publishing Services requires an internet publishing service provider to obtain an internet publishing permit. One of our PRC subsidiaries jointly operated mobile games developed by third parties during the Track Record Period. The mobile games provided at our platform have been published through third party licensed electronic publishing entities and registered with the NPPA as electronic publications. However, the provision of online games by us may be deemed as a type of online publishing services. Due to the failure to obtain this permit, we may be subject to various penalties, such as confiscation of the net revenues that were generated through online games, the imposition of fines, the revocation of our business and operating licenses and the discontinuation or restriction of our operations of online games. In May 2021, our PRC Legal Adviser conducted telephone interviews with officers in the relevant departments of the NPPA (through the NPPA’s official enquiry line accessed through, and published on, its official website), being the competent persons of the competent regulatory authority in relation to the internet publishing permit. The NPPA confirmed that it would not order operators without an internet publishing permit to shut down their websites or Apps, on the condition that the content of their publications comply with the requirements of laws and regulations. Revenues generated from game-related services accounted for less than 5% of our total net revenues in 2018, 2019 and 2020, except that revenues generated from game-related services accounted for 5.1% of our total net revenues in the six months ended June 30, 2021.

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The Rules for the Administration of Internet Audio and Video Program Services require companies providing audio/video programs to the public via the internet and the service of uploading and spreading audio/video programs to obtain the audio/video program transmission related qualifications. Weimeng, one of our PRC subsidiaries, operates live streaming business and provides users with the services of uploading audio/video programs. Weimeng is not qualified to obtain the internet audio/video program transmission license under the current legal regime as it is not a wholly state-owned or state-controlled company and it was not operating prior to the issuance of the Rules for the Administration of Internet Audio and Video Program Services, commonly known as Circular 56. However, in 2019, we have registered with the National Internet Audio-Visual Platforms Information Management System, through which our operations of audio/video programs are supervised and guided by the National Radio and Television Administration and its local branches. This registration was valid until May 1, 2021 and is currently under the annual renewal process. In May 2021, our PRC Legal Adviser conducted telephone interviews with officers in the relevant departments of Beijing Municipal Radio and Television Bureau and National Radio and Television Administration (through their official enquiry lines accessed through, and published on, their official websites), each being a competent person in the competent regulatory authorities in relation to the internet audio/video program transmission license. The Beijing Municipal Radio and Television Bureau and National Radio and Television Administration each confirmed that if the filings in National Internet Audio-Visual Platforms Information Management System has been completed, and as long as the platform follows the guidance from the regulatory authorities, such platform could continue to provide audio/video program services without obtaining the audio/video program transmission license. Based on the confirmation from the above competent authorities and as advised by our PRC Legal Adviser, we may continue to provide internet audio-visual program services as currently conducted, so long as our operations are in compliance with the operating requirements under the PRC laws and regulations governing audio-visual program services, proper filings with and review under National Internet Audio-Visual Platforms Information Management System and follow the guidance from the regulatory authorities. Due to the failure to obtain this license, we may be subject to various penalties, such as including removal of the relevant online publications, confiscation of illegal income, fines, and/or the closure of our relevant websites which could lead to severe disruption to our business operation. Our PRC Legal Adviser has advised us that, as long as we take immediate remedial actions if required by the regulatory authorities, the likelihood of us being subject to an order to suspend our internet audio-visual program services because of the above situation is low. Revenues generated from live streaming accounted for less than 5% of our total net revenues during the Track Record Period.

RECENT REGULATORY DEVELOPMENTS

On August 30, 2021, the NPPA issued the Notice on Further Strict Management to Prevent Minors from Indulging in Online Games (《關於進一步嚴格管理切實防止未成年人沉迷網絡遊戲的通知》), which requires all online game operators to provide services to minors only on any Friday, Saturday, Sunday and statutory holidays from 8:00 p.m. to 9:00 p.m., i.e. for one hour, and not to provide online games in any form to users who have not registered or logged in with their real names. In addition to the real-name registration system already in place, we have adjusted the systems in the games operated by us to comply with the requirements under this notice. The revenue contributed by online games accounted for an insignificant portion of our total revenue during the Track Record Period. The Company is of the view that this notice will not have a material adverse impact on its business operation or financial results.

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The Cyberspace Administration of China launched a “Fan Group Chaos Rectification” special action on June 15, 2021, followed by the issuance of the Notice on Further Strengthening the Management of Chaos in Fan Groups (《關於進一步加強“飯圈”亂象治理的通知》) on August 25, 2021. Both of the special action and notice are intended to rectify chaos in online fan groups for celebrities, specifically, in features such as celebrity rankings, hot topics, fan communities, and fans interactive functions, so as to curb verbal abuse, stigmatization, instigation, confrontation, insults, slander, rumors, malicious marketing and the spread of other harmful information. This notice requested, among other things, the cancellation of all rankings of celebrities. The rankings of music, film and television works are still allowed, but the network platforms should optimize and adjust ranking rules to focus on the art works themselves and professional evaluation. Furthermore, minors are not allowed to make virtual gifting or spending money on supporting idols, or act as the organizer or manager of a fan group. As of the Latest Practicable Date, we have taken measures specified in this notice to the extent applicable to our business, including removing the function of star power list on our platform.

On August 27, 2021, the CAC issued a discussion draft of Administrative Provisions on Algorithm Recommendation of Internet Information Services (《互聯網信息服務算法推薦管理規定(徵求意見稿)》), which provides that algorithms recommendation service providers are not allowed to use algorithms to register false user accounts, block information, give excessive recommendations, and users should be given the option to easily turn off algorithm recommendation services. Although the CAC has solicited comments on this draft since August 27, 2021, there is no timetable as to when it will be enacted. As such, substantial uncertainties exist with respect to its enactment timetable, final content, interpretation and implementation. If the draft of the Administrative Provisions on Algorithm Recommendation of Internet Information Services is enacted as proposed, we may need to further adjust our business and operations. Under this draft, one of the key requirements is that the algorithm recommendation service providers should publicly disclose the basic principles, purposes, intention, and operating mechanism of their algorithm-related products. In this regard, we have publicly disclosed the operation mechanism for “Weibo hot search” in the Weibo Hot Search Management Rules, which are posted as a Weibo community announcement. We have also provided an option settings for our users to adjust the algorithm-driven recommendations settings for content and advertisements. A user can click to deactivate “personalized ads recommendation” function to lower the relevancy of the ads pushed to this user, and to deactivate “personalized content recommendation” function to lower relevancy of the content recommended to this user. We believe our initiatives will satisfy several key requirements under the draft Administrative Provisions on Algorithm Recommendation of Internet Information Services to the extent possible. However, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours due to substantial uncertainties with respect to the enactment timetable, final content, interpretation and implementation of this draft. We have been making efforts to adapt our business further to comply with other applicable requirements under this draft. We have been advised by our PRC Legal Adviser that our current approaches are in compliance with effective laws and regulations for algorithm recommendation in all material aspects as of the date of this document, however, since the draft Administrative Provisions on Algorithm Recommendation of Internet Information Services has not been enacted as of the date of this document, the potential impact on our business operations is still substantially uncertain. In the event the draft is eventually enacted, the impact on our SIG recommendation engine still depends largely on the number of users who actually turn off our algorithm recommendation services. If such opt-out ratio turns out to be on the high end, the advertisement efficiency on our platform may ultimately be lowered and our business operations may be adversely affected.

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On September 17, 2021, the CAC, together with eight other governmental authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithm for Internet Information Services (關於加強互聯網信息服務算法綜合治理的指導意見), which provides that daily monitoring of data use, application scenarios and effects of algorithms shall be carried out by the relevant regulators, and security assessments of algorithm shall be conducted by the relevant regulators. The guidelines also provide that an algorithm filing system shall be established and classified security management of algorithms shall be promoted. The Company will closely monitor the regulatory development and adjust its business operation from time to time to comply with the regulations over algorithm.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》) (the “Personal Information Protection Law”), effective from November 1, 2021. The Personal Information Protection Law requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Different types of personal information and personal information processing will be subject to various rules on consent, transfer, and security. Entities handling personal information shall bear responsibilities for their personal information handling activities, and adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, the entities handling personal information could be ordered to correct, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On August 17, 2021, the State Administration for Market Regulation issued a discussion draft of Provisions on the Prohibition of Unfair Competition on the Internet (《禁止網絡不正當競爭行為規定(公開徵求意見稿)》), under which business operators should not use data or algorithms to hijack traffic or influence users’ choices, or use technical means to illegally capture or use other business operators’ data. Furthermore, business operators are not allowed to (i) fabricate or spread misleading information to damage the reputation of competitors, or (ii) employ marketing practices such as fake reviews or use coupons or “red envelopes” to entice positive ratings.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), effective on September 1, 2021. According to the Regulations on Security Protection of Critical Information Infrastructure, a “critical information infrastructure” has the meaning of an important network facility and information system in important industries such as public communications and information services, energy, transportation, water conservancy, finance, public services, e-government, national defense technology, etc., as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people’s livelihood, or the public interests in the event of damage, loss of function, or data leakage. The competent governmental departments and supervision and management departments of the aforementioned important industries will be responsible for (i) organizing the identification of critical information infrastructures in their respective industries in accordance with certain identification rules, and (ii) promptly notifying the identified operators and the public security department of the State Council of the identification results.

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On July 10, 2021, the CAC published a discussion draft of the proposed amended Measures for Cybersecurity Review (《網絡安全審查辦法(修訂草案徵求意見稿)》), which provides that the relevant operators must apply with the Cybersecurity Review Office for a cybersecurity review under the following circumstances: (i) operators of “critical information infrastructure” or data processors holding over one million users’ personal information when listing abroad (國外上市), (ii) operators of “critical information infrastructure” that intend to purchase internet products and services that will or may affect national security, and (iii) data processors carrying out data processing that will or may affect national security. The CAC solicited comments on this draft, but there is no timetable as to when it will be enacted. As such, substantial uncertainties exist with respect to its enactment timetable, final content, interpretation and implementation. As of the date of this document, the amended Measures for Cybersecurity Review have not been formally adopted. See “Risk Factors — Substantial uncertainties exist with respect to the interpretation and implementation of cybersecurity related regulations and cybersecurity review as well as any impact these may have on our business operations.” The discussion draft of the proposed amended Measures for Cybersecurity Review does not provide detailed explanation or interpretation of the conditions or procedures for listing abroad or any additional requirements.

The CAC, as the regulator in charge of cybersecurity and the identification of operators of “critical information infrastructure” in the internet sector, maintains regular communication with, and supervision over, major internet companies like us. Under the current PRC cybersecurity laws, operators of “critical information infrastructure” that intend to purchase internet products and services that will or may affect national security must apply for a cybersecurity review. See “Regulatory Overview — Regulations on Information Security.” As advised by our PRC Legal Adviser, the scope of operators of “critical information infrastructure” under the current regulatory regime remains unclear and is subject to the decisions of the relevant PRC government authorities that have been delegated the authority to identify operators of “critical information infrastructure” in their respective jurisdictions (including regions and industries). In addition, the requirement that data processors carrying out data processing that will or may affect national security will be subject to cybersecurity review is new to the proposed draft amendments to the Measures for Cybersecurity Review, and is similarly ambiguous with respect to identifying which data processing activities impact or may impact cybersecurity. Therefore, it is not possible for us to state with certainty how this proposed draft amendment may ultimately affect our products and services. The PRC government authorities have wide discretion in the interpretation and enforcement of these laws, including the identification of operators of “critical information infrastructure”, the interpretation and enforcement of requirements potentially applicable to such operators of “critical information infrastructure” and identifying which data processing activities impact or may impact cybersecurity. As a major internet platform, we are at risk of being deemed to be an operator of “critical information infrastructure” or a data processor meeting the above criteria under PRC cybersecurity laws. In such case, we would be required to fulfill various obligations as required under PRC cybersecurity laws and other applicable laws for such operators of “critical information infrastructure” and data processors meeting the above criteria, including, among others, setting up a special security management organization, organizing regular cybersecurity education and training, formulating emergency plans for cyber security incidents and conducting regular emergency drills. In addition, although the internet products and services we purchase are primarily bandwidth, copyright content and marketing services, we may be subject to cybersecurity review when purchasing those. As of the date of this document, we have not been involved in any investigations or cybersecurity reviews by the CAC for making those purchases of internet products and services during the Track Record Period, and we have not received any inquiry, notice, warning, or sanction in such respect. If a cybersecurity review for any of our activities is required, we will actively

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cooperate with the CAC to conduct such cybersecurity review. We have already met several key obligations currently applicable to operators of “critical information infrastructure,” including setting up a special security management organization, organizing regular cybersecurity education and training, formulating emergency plans for cyber security incidents, and conducting regular emergency drills. We are not able to fulfill the relevant obligations that are only applicable and available if we are recognized as an operator of “critical information infrastructure,” such as conducting network security inspections and risk assessments on critical information infrastructure at least once a year either through self-assessment or through a cybersecurity service agency, timely correcting any security issues discovered, and reporting relevant matters as required by the security protection departments. If we are deemed to be an operator of “critical information infrastructure” or a relevant data processor, we may need to take measures to meet these obligations, which may disrupt our operations and adversely affect our business, results of operations and financial condition. On November 14, 2021, the CAC published a discussion draft of the Management Measures for Internet Data Security (《網絡數據安全管理條例(徵求意見稿)》) or the Draft Measures for Internet Data Security, which provides that the data processors conducting the following activities shall apply for cybersecurity review in accordance with the relevant regulations: (i) merger, reorganization or separation of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests affects or may affect national security; (ii) listing abroad (國外上市) of data processors processing over one million users’ personal information; (iii) listing in Hong Kong which affects or may affect national security; (iv) other data processing activities that affect or may affect national security. The CAC solicited comments on this draft, but there is no timetable as to when it will be enacted. As such, substantial uncertainties exist with respect to its enactment timetable, final content, interpretation and implementation, especially the detailed explanation or interpretation of the standard for determining whether a listing in Hong Kong “affects or may affect national security.” As of the date of this document, the Draft Measures for Internet Data Security have not been formally adopted. See “Risk Factors – Substantial uncertainties exist with respect to the interpretation and implementation of cybersecurity related regulations and cybersecurity review as well as any impact these may have on our business operations.” In addition, the Draft Measures for Internet Data Security also provides that (i) the operators of large Internet platforms who set up headquarters or, operation centers or R&D centers overseas (境外) shall report to the national cyberspace administration and competent authorities and (ii) a data processor processing important data or going public overseas (境外) shall conduct an annual data security assessment by themselves or entrust a data security service institution to do so, and submit the data security assessment report of the previous year to the local branch of CAC before January 31 of each year. See “Regulatory Overview – Regulations on Information Security.” On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Strictly Combating Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》), which emphasize on the prevention of illegal securities activities and tightened supervision over overseas listings by China-based companies. The opinions aim to achieve this by establishing a regulatory system and revising the existing rules for overseas listings by Chinese entities and affiliates, including potential extraterritorial application of China’s securities laws. As the opinions are new, official guidance and implementation rules have not been issued and the final interpretation of and potential impact from these opinions remain unclear at this stage. See “Risk Factors — The approval of the CSRC or other PRC government authorities may be required in connection with this [REDACTED] under PRC law, and, if required, we cannot predict whether we will be able to obtain such approval.” As of the date of this document, we have not received any inquiry, notice, warning, or sanction regarding this [REDACTED] from the CSRC or any other PRC government authorities.

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On September 11, 2020, the Anti-Monopoly Commission of the State Council issued Anti-Monopoly Compliance Guideline for Operators (《經營者反壟斷合規指南》), which requires operators to establish anti-monopoly compliance management systems under the PRC Anti-Monopoly Law to manage anti-monopoly compliance risks. On February 7, 2021, the Anti-Monopoly Commission of the State Council published Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《國務院反壟斷委員會關於平台經濟領域的反壟斷指南》) that specified circumstances where an activity of an internet platform will be identified as monopolistic act as well as concentration filing procedures for business operators, including those involving variable interest entities. In August 2021, the SAMR issued two investigation notices to Weimeng Chuangke regarding alleged illegal concentration of business operators under the Anti-Monopoly Law, among which, one resulted in a fine of RMB500,000 for concentration of business operators without prior filing pursuant to the Anti-Monopoly Law (中華人民共和國反壟斷法) and the other one is still under investigation as of the date of this document. Weimeng Chuangke is actively cooperating with the SAMR on such investigation. We are not able to predict the status or the results of the investigation at this stage. According to the PRC Anti-Monopoly Law (中華人民共和國反壟斷法), if a business operator carries out a concentration in violation of the law, the relevant authority shall order the business operator to terminate the concentration, dispose of the shares or assets or transfer the business within a specified time limit, or take other measures to restore the pre-concentration status, and impose a fine of up to RMB500,000. As such, our PRC legal adviser is of the view that we could be subject to fines of up to RMB500,000 and other legal actions by the SAMR for such concentration. On October 23, 2021, the Standing Committee of the National People's Congress issued a discussion draft of the amended Anti-Monopoly Law, which proposes to increase the fines for illegal concentration of business operators to no more than ten percent of its last year's sales revenue if the concentration of business operator has or may have an effect of excluding or limiting competitions; or a fine of up to RMB5 million if the concentration of business operator does not have an effect of excluding or limiting competition. The draft also proposes that the relevant authority shall investigate a transaction where there is any evidence that the concentration has or may have the effect of eliminating or restricting competitions, even if such concentration does not reach the filing threshold. See "Risk Factors—Any failure or perceived failure by us to comply with the Anti-Monopoly Guidelines for Internet Platforms Economy Sector and other PRC anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations."

On October 26, 2021, the CAC issued draft Administrative Provisions on the Account Names of Internet Users (互聯網用戶賬號名稱信息管理規定(徵求意見稿)), revising the Regulations on the Administration of Internet User Account Names (互聯網用戶賬號名稱管理規定) that took effect on March 1, 2015. This draft provides that when registering an internet account, the user shall execute an agreement with the Internet user account services platform, provide authentic identity information, and obey the rules of the platform for content production and account management, and the platform conventions and service agreement. Internet user account service platforms shall establish, improve and strictly implement, among others, account name information management system, information content security system, and personal information protection system. Internet user account service platforms should also establish an account name information dynamic check patrol system for the verification of real identity information, improve their technical measures for purposes of account information legal compliance, and support account name authenticity checks. When an Internet user account is in violation of the provisions of this draft, the Internet user account service platform shall suspend the service and inform the user to correct the issue within a limited time; and if the user refuses to correct it, the account shall be terminated. Although the CAC has solicited

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comments on this draft until November 10, 2021, there is no timetable as to when it will be enacted. As such, substantial uncertainties exist with respect to its enactment timetable, final content, interpretation and implementation. If such draft is enacted as proposed, it would be costly for us to make more efforts on monitoring and managing user account names to comply with these requirements.

On October 8, 2021, the National Development and Reform Commission issued a discussion draft of the Negative List for Market Access (2021 Version) (市場准入負面清單(2021年版)), which provides that, among others, non-state-capitalized entities shall not conduct the business of news collecting, editing, releasing and reporting. Weibo does not collect, edit, release or report news by itself. Weibo holds an Internet News and Information Service License, which allows it to provide the service of reposting news information and operating a platform to disseminate news information. The draft Negative List also provides that non-state-capitalized entities shall not engage in live streaming of political, economic, military, diplomatic, major social, cultural, scientific and technological, health, education, sports and other activities and events related to political direction, public opinion orientation and value orientation. The scope of live streaming business under this list is relatively broad and vague, and is subject to further clarifications and interpretations by the regulator. However, as we generated less than 5% of our net revenues from live streaming, we do not believe this new requirement would have a material adverse impact on our business operations or financial results. The NDRC has solicited comments on this draft since October 8, 2021, and there is no timetable as to when it will be enacted. As such, substantial uncertainties exist with respect to its enactment timetable, final content, interpretation and implementation. If the draft of the Negative List for Market Access (2021 Version) is enacted as proposed, we may need to further adjust our business and operations and our business operations may be adversely affected.

Based on the foregoing and the currently effective PRC laws, we and our PRC Legal Adviser are of the view that the above recent changes in PRC laws and regulations will not affect our compliance with laws and regulations in any material aspects as of the date of this document. As of the date of this document, except as disclosed above, we were not involved in any enquiry, review or investigations by the CAC or other authorities in respect of the above recently promulgated laws and regulations.

However, we and PRC Legal Adviser cannot preclude the possibilities that new rules or regulations promulgated in the future will impose additional compliance requirements on us.