
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mobvista Inc., you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Mobvista

Mobvista Inc.

匯量科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1860)

DISCLOSEABLE AND CONNECTED TRANSACTION RESTRUCTURING OF THE MEDIA PLANNING AND PROCUREMENT BUSINESS AND PROPOSED AMENDMENTS TO THE RSU SCHEMES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

The logo for RAINBOW. features the word "RAINBOW." in a bold, white, sans-serif font. The letter "O" is stylized with a horizontal bar through its center. The logo is set against a dark rectangular background.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

A letter from the Board is set out on pages 8 to 28 of this circular.

A notice convening the EGM to be held at Guangzhou room, 44/F Tianying Plaza (East Tower), No. 222-3 Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC on 22 February 2022 at 10:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.mobvista.com. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 10:00 a.m. on 20 February 2022) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) if they so wish.

31 January 2022

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DEFINITIONS

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

“Amendments”	the proposed amendments to the rules of the RSU Schemes as set out in the section headed “Proposed Amendments to the RSU Scheme” of the “Letter from the Board” in this circular
“Articles of Association”	the articles of association of the Company currently in force and as amended from time to time
“Board”	the board of Directors
“Business Days”	any day excluding Saturdays, Sundays, public holidays and days on which licensed banks in Hong Kong and the PRC are generally close for business
“Business Restructuring Agreement”	the conditional Business Restructuring Agreement dated 17 November 2021 entered into among the Transferors, the Transferees, Seamless and the Target Company in relation to the Restructuring
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Mobvista Inc. (匯量科技有限公司), an exempted company with limited liability incorporated in the Cayman Islands and whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Restructuring in accordance with the terms of the Business Restructuring Agreement
“Connected Globe”	Connected Globe Holdings Limited, a company with limited liability incorporated in the British Virgin Islands, a wholly-owned asset of the Management RSU Scheme administered by the Management RSU Trustee, and an existing Shareholder
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	US\$100,352,000 (equivalent to approximately HK\$782,745,600)

DEFINITIONS

“Consideration Shares”	a total of 60,000,000 and 42,453,613 issued Shares to be transferred from Seamless to Mobile Value and Connected Globe, respectively, to fully settle the Consideration in accordance with the Business Restructuring Agreement
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Duanshi Investment”	Duanshi Industrial Investment (Guangzhou) Co., Ltd., a company established in the PRC on 21 July 2017 and indirectly wholly-owned by Mr. Duan
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, approve, among other matters, the Restructuring and the Amendments
“EGM Notice”	notice for convening the EGM which is set out on pages EGM-1 to EGM-4 of this circular
“Director(s)”	director(s) of the Company
“Employee RSU Scheme”	the restricted share unit scheme of the Company approved and adopted by the Board on 27 September 2018 and amended on 19 November 2018 and 7 December 2020
“Employee RSU Trustee”	Sovereign Trustees Limited
“Group”	the Company and its subsidiaries
“Guangzhou Mobvista”	Mobvista Co., Ltd.* (廣州匯量網絡科技股份有限公司), a company established in the PRC as a joint stock limited company on 15 July 2015 through conversion from a limited liability company (i.e. Guangzhou Huitao Technology Co., Ltd. (廣州匯韜信息科技有限公司)), the shares of which were delisted from the National Equities Exchange and Quotations of the PRC on 8 June 2020, a controlling Shareholder, and the directors of which include Mr. Duan and Mr. Song Xiaofei, an executive Director
“Guangzhou Huichun”	Guangzhou Huichun Industrial Investment Co., Ltd., a company established in the PRC with limited liabilities on 19 July 2017 and indirectly wholly-owned by Mr. Cao

DEFINITIONS

“Guangzhou Huihong”	Guangzhou Huihong Capital Management Partnership (Limited Partnership), a partnership established in the PRC on 28 June 2020 and controlled by Mr. Duan
“Guangzhou Huimao”	Guangzhou Huimao Investment Management Center (Limited Partnership) a partnership established in the PRC on 13 May 2015 and controlled by Mr. Duan
“Guangzhou Huimu”	Guangzhou Huimu Asset Management Co., Ltd., a company established in the PRC with limited liabilities on 27 December 2016 and is owned by Mr. Duan as to 70%
“Guangzhou Huiqian”	Guangzhou Huiqian Investment Management Centre (Limited Partnership) a partnership established in the PRC on 23 November 2015 and controlled by Mr. Cao
“Guangzhou Huisui”	Guangzhou Huisui Investment Management Co., Ltd., a company established in the PRC with limited liabilities on 8 May 2015 and is owned by Mr. Duan as to 95%
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, which is to be formed to advise the Independent Shareholders on the Business Restructuring Agreement, the Restructuring and the transactions contemplated thereunder
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Restructuring
“Independent Shareholder(s)”	Shareholders other than those required under the Listing Rules to abstain from voting on the resolutions to be proposed at the EGM to approve the Restructuring

DEFINITIONS

“Last Trading Day”	16 November 2021, being the last trading day before the entering into of the Business Restructuring Agreement
“Latest Practicable Date”	27 January 2022, being the latest practicable date prior to printing of this circular for ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Management RSU Scheme”	the restricted share unit scheme of the Company approved and adopted by the Board on 19 November 2018 and amended on 7 December 2020
“Management RSU Trustee”	Sovereign Fiduciaries (Hong Kong) Limited
“media planning and procurement business”	providing advertisers with top-up services and advertisement placement services on domestic and overseas top mobile media platforms and ancillary services
“Mobile Value”	Mobile Value Discovery Inc., a company with limited liability incorporated in the British Virgin Islands, a wholly-owned asset of the Employee RSU Scheme administered by the Employee RSU Trustee, and an existing Shareholder
“Mobvista Technology”	Mobvista (Guangzhou) Technology Limited, a company established in the PRC with limited liability on 2 April 2015 and an indirect wholly-owned subsidiary of the Company
“Mr. Cao”	Mr. Cao Xiaohuan, an executive Director and the chief executive officer of the Company
“Mr. Duan”	Mr. Duan Wei, the chairman of the Board, an executive Director and a controlling Shareholder of the Company who is interested in, and controls the voting right in respect of, approximately 68.40% of the equity interest in the Company as at the Latest Practicable Date
“PRC”	the People’s Republic of China and for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

DEFINITIONS

“Restructuring”	the restructuring of the media planning and procurement business of the Group as contemplated under the Business Restructuring Agreement
“RMB”	the lawful currency of the PRC
“RSU(s)”	restricted share unit award(s), each of which representing one underlying Share, granted to a participant under the RSU Schemes
“RSU Schemes”	collectively, the Employee RSU Scheme and the Management RSU Scheme
“Scheme Limit(s)”	the total number of Shares that may be granted to the participants of the Employee RSU Scheme and the Management RSU Scheme, respectively, upon the vesting of the RSUs
“Seamless”	Seamless Technology Limited, a company with limited liability incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of Guangzhou Mobvista, a controlling Shareholder the ultimate beneficial owner of which is Mr. Duan, who is interested in approximately 40.35% of the equity interest in Seamless as at the Latest Practicable Date, and the directors of which include Mr. Duan, Mr. Cao and Mr. Song Xiaofei, an executive Director
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Business”	comprising the entire issued share capital of the Target Company and certain business contracts and employment contracts relating to the media planning and procurement business to be transferred by the Transferors as specified in the Business Restructuring Agreement

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“Target Company”	Guangzhou Huiliang Marketing Technology Company Limited* (廣州匯量營銷科技有限公司), a company with limited liability incorporated in the PRC, a direct wholly-owned subsidiary of Transferor 7
“Transfer Price”	HK\$7.64 per Consideration Share
“Transferee 1”	Zhuhai Huiliang Investment Holdings Company Limited* (珠海匯量投資控股有限公司), a company with limited liability incorporated in the PRC the ultimate beneficial owner of which is Mr. Duan who is interested in approximately 40.35% of the equity interest in Transferee 1, and a direct wholly-owned subsidiary of Guangzhou Mobvista
“Transferee 2”	Marketlogic Technology Limited, a company with limited liability incorporated in Hong Kong the ultimate beneficial owner of which is Mr. Duan who is interested in approximately 40.35% of the equity interest in Transferee 2, and a direct wholly-owned subsidiary of Seamless
“Transferees”	collectively, Transferee 1 and Transferee 2
“Transferor 1”	Mobvista International Technology Limited, a company with limited liability incorporated in Hong Kong, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan
“Transferor 2”	Adlogic Technology Pte. Ltd., a company with limited liability incorporated in Singapore, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan
“Transferor 3”	Mintegral International Limited, a company with limited liability incorporated in Hong Kong, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan
“Transferor 4”	Advertter Technology Company Limited, a company with limited liability incorporated in the Republic of Seychelles, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan

DEFINITIONS

“Transferor 5”	Mobvista Korea Ltd., a company with limited liability incorporated in the Republic of Korea, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan
“Transferor 6”	Eurocore B.V., a company with limited liability incorporated in the Netherlands, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan
“Transferor 7”	Guangzhou Huiliang Information Technology Company Limited* (廣州匯量信息科技有限公司), a company with limited liability incorporated in the PRC, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan
“Transferor 8”	Guangzhou Huishi Information Technology Company Limited* (廣州匯世信息科技有限公司), a company with limited liability incorporated in the PRC, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan
“Transferor 9”	Guangzhou Houyinwan Network Technology Company Limited* (廣州厚銀萬網絡科技有限公司), a company with limited liability incorporated in the PRC, an indirect wholly-owned subsidiary of the Company the ultimate beneficial owner of which is Mr. Duan
“Transferors”	collectively, the Company, Transferor 1, Transferor 2, Transferor 3, Transferor 4, Transferor 5, Transferor 6, Transferor 7, Transferor 8 and Transferor 9
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuer”	Moore Transaction Services Limited, an independent professional valuer
“%”	per cent

* for identification purposes only

For the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ in this circular is based on the exchange rate of US\$1.00 to HK\$7.8. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

LETTER FROM THE BOARD

Mobvista

Mobvista Inc.

匯量科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1860)

Executive Directors:

Mr. DUAN Wei (*Chairman*)

Mr. CAO Xiaohuan (*chief executive officer*)

Mr. FANG Zikai

Mr. SONG Xiaofei

Registered office:

P.O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Non-executive Director:

Mr. WONG Tak-Wai

Principal place of business in Hong Kong:

40th Floor

Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

Independent Non-executive Directors:

Mr. YING Lei

Mr. HU Jie

Mr. SUN Hongbin

31 January 2022

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
RESTRUCTURING OF THE MEDIA PLANNING AND PROCUREMENT BUSINESS
AND
PROPOSED AMENDMENTS TO THE RSU SCHEMES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcements of the Company dated 17 November 2021 and 5 January 2022, respectively, in relation to, among other things, Restructuring and the Amendments.

The purpose of this circular is to provide you with, among other things: (i) further details of the Restructuring and the Amendments; (ii) a letter from the Independent Board Committee in respect of the Restructuring; (iii) a letter from the Independent Financial Adviser to the

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Independent Board Committee and the Independent Shareholders in respect of the Restructuring; (iv) a valuation report on the Target Business; and (v) a notice convening the EGM to be convened for the purpose of considering and, if thought fit, approving by way of poll, the Restructuring and the Amendments.

2. THE RESTRUCTURING

The Board wishes to announce that on 17 November 2021 (after trading hours), the Transferors entered into the Business Restructuring Agreement with the Transferees, Seamless and the Target Company, pursuant to which, among other things, the Transferors (as applicable) conditionally agreed to transfer, and the Transferees (as applicable) conditionally agreed to receive, the Target Business for the Consideration.

Subject to the Shareholders' approval for the Amendments to increase the Scheme Limits, the Consideration will be satisfied by Seamless by way of transfer of the Consideration Shares to Mobile Value and Connected Globe (or any other entity(ies) designated by the Company), which will be added to the share pools under the RSU Schemes.

On the same date, the Employee RSU Trustee, the Management RSU Trustee, Mobile Value and Connected Globe entered into confirmation letters to confirm and agree that Mobile Value and Connected Globe (or any other entity(ies) designated by the Company) shall accept the Consideration Shares.

Business Restructuring Agreement

The principal terms of the Business Restructuring Agreement are set out as follows:

Date

17 November 2021

Parties

- (1) the Transferees;
- (2) the Transferors;
- (3) Seamless; and
- (4) the Target Company.

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Before entering into the Business Restructuring Agreement, the Group had approached three other potential buyers through its financial adviser, however none of them provided a better offer than that of the Transferees in terms of the consideration they were willing to pay for the Target Business and due diligence requirements. After consulting the financial adviser, the Company is of the view that the terms offered by the Transferees would likely be more favorable than those which may be offered by the potential buyers in that (i) the Transferees are already familiar with the Target Business and the industry it is in and therefore do not require to conduct due diligence on the Target Business; and (ii) the Transferees agreed that the Consideration shall be determined based on the market value of the Target Business as appraised by an independent professional valuer, and the Restructuring will lead to smoother transition. To ensure that the Restructuring is in the interests of the Company and Shareholders as a whole, the Company engaged independent auditors to prepare audited financial statements of the Target Business and the Valuer to prepare the Valuation to ensure that the Consideration is no less than the market value of the Target Business as appraised by the Valuer, and only the independent non-executive Directors voted on the Board resolution approving the Restructuring.

As (i) Seamless is interested in 1,130,917,842 Shares, representing approximately 68.29% of the total issued share capital of the Company, and is therefore a controlling Shareholder; (ii) each of the Transferees is beneficially owned by Mr. Duan as to more than 30%; and (iii) the participants and beneficiaries of the Management RSU Scheme include the Directors and senior management of the Company or any of its subsidiaries, or their respective wholly-owned entities, each of Seamless, the Transferees, the Management RSU Trustee and Connected Globe is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. The Restructuring is therefore subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Target Business to be transferred

Pursuant to the Business Restructuring Agreement, among other things, the Transferors (as applicable) conditionally agreed to transfer, and the Transferees (as applicable) conditionally agreed to receive, the Target Business for the Consideration.

The Target Company is a direct wholly-owned subsidiary of Transferor 7 and in turn an indirect wholly-owned subsidiary of the Company. Each of the Transferors other than the Company is a party to the business contracts and/or employment contracts under the Target Business to be transferred to the Transferees and is obligated to take such actions as are necessary to effect such transfer(s) pursuant to the Business Restructuring Agreement.

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The business contracts under the Target Business to be transferred to the Transferees mainly comprise contracts in relation to the provision of services by Group during the daily operation of its media planning and procurement business, which include media buying service agreements, top media platform top-up service agreements, advertisement placement service agreements, online targeting service agreements, advertising partnership agreements, etc.

There are 24 employment contracts under the Target Business to be transferred to the Transferees which involve employees responsible for different functions in the Group's media planning and procurement business, including video and graphic design, marketing, client relationship management and general management.

The Target Company was set up by the Group in March 2020 with the initial intention to consolidate its media planning and procurement business. Before that, the media planning and procurement business of the Group was conducted through other entities (including the Transferors) within the Group. As such, each of the Transferors other than the Company (as applicable) remains to be a party to the business contracts and/or employment contracts under the Target Business to be transferred to the Transferees. Please refer to the section headed "Rationale and benefits of the Restructuring" in this letter for further details on the Group's change of strategy in respect of its media planning and procurement business which leads to the Restructuring.

Upon Completion, the Target Company will cease to be an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will cease to be consolidated into the consolidated financial statements of the Group.

Consideration

The Consideration of US\$100,352,000 (equivalent to approximately HK\$782,745,600) comprises:

- (i) US\$90,100,000 (equivalent to approximately HK\$702,780,000), representing the consideration for the transfer of the Target Business excluding other payables due from the Target Business to the Company (the "**Other Payables**") amounting to US\$15,686,000 as at 30 June 2021 (representing the amount of long term working capital funded by the Company to the Target Business the balance of which fluctuates from time to time), determined based on the market value of the Target Business of US\$104,900,000 (equivalent to approximately HK\$818,220,000) as at 30 June 2021 as appraised by Moore Transaction Services Limited, an independent professional valuer

LETTER FROM THE BOARD

(the “**Valuation**”), on the basis that the Other Payables were excluded from the Valuation and that the Other Payables as at 31 October 2021 would be added back to form the Consideration; and

- (ii) US\$10,252,000 (equivalent to approximately HK\$79,965,600), representing the Other Payables as at 31 October 2021.

Further to the above, the Transferees agreed to return to the Company the Other Payables as at Completion on a dollar-for-dollar basis by cash.

The full text of the report issued by Moore Transaction Services Limited on the Valuation is set out in Appendix II to this circular. While the reference date of the Valuation was 30 June 2021, as at the Latest Practicable Date, the Board was not aware of any circumstances, factors or market conditions which would cause the market value of the Target Business to vary considerably from the Valuation. On this basis, the Board is of the view that the Valuation remains a relevant and valid source in reflecting the market value of the Target Business.

The Board had performed the following work to review the reasonableness of the Valuation: (i) interviewed the Valuer as to its expertise and independence and had obtained knowledge about the qualification and experience of the Valuer; (ii) reviewed the scope of work of the engagement relating to the Valuation as to its appropriateness and whether there are any limitations on the scope of work which might have an adverse impact on the degree of assurance given by the Valuation; and (iii) reviewed and discussed with the Valuer regarding the methodologies and multiples adopted and the comparables selected for the Valuation by the Valuer and was satisfied with their work performed. In view of work performed by the Directors regarding the Valuation as stated above, the Board is satisfied that (i) the Valuer is independent from the Company and has sufficient experience and competency to perform the Valuation; (ii) scope of work of the Valuer is appropriate for the relevant engagement; and (iii) the valuation methodologies, parameters and multiples adopted and the comparables selected by the Valuer are fair and reasonable in relation to the Valuation. In this connection, the Board is of the view that the Valuation is fair and reasonable to rely upon.

The Board note that the Valuer has adopted a control premium of 11.5% in arriving at the Valuation, which is the amount that a buyer is willing to pay in excess of the fair market value of shares in order to gain a controlling ownership interest in a company. Having considered that (i) the Board has reviewed and discussed with the Valuer on the control premium applied in the Valuation and was satisfied with their work performed; (ii) as confirmed by the Valuer, they have considered different researches and case-specific factors and selected the control premium based on their professional judgement; (iii) even though the control premium of 11.5% adopted by the Valuer is relatively low as compared to the range of control premium (9.8% to 39.0%) applied in

LETTER FROM THE BOARD

the valuation of 12 disposal transactions conducted by other Hong Kong listed companies in the two years prior to the date of the Business Restructuring Agreement, the Independent Financial Adviser considers such control premium to be reasonable after considering all relevant factors of the Restructuring in particular the reasons for and benefits of the Restructuring as set out in the section headed “Letter from the Independent Financial Adviser” of this circular (for further details, please refer to the section headed “Letter from the Independent Financial Adviser — 3. Assessment of the principal terms of the Business Restructuring Agreement — 3.1 Independent valuations and evaluation of the Consideration” of this circular); (iv) as advised by the Valuer, a lower business synergy or control premium is anticipated due to (a) the fact that the Restructuring is essentially a business restructuring and the financial performance of the Target Business is on a downward trend; and (b) the lack of merger and acquisition activities in the industry which the Target Business is in (for further details, please refer to the section headed “4. Basis and Methodology — 4.5.8 Control Premium” of the Valuation report set out in Appendix II to this circular); and (v) the qualifications and experience of the Valuer and the Independent Financial Adviser, the Board is not aware of any factor which would cause it to doubt the fairness and reasonableness of the control premium applied in the Valuation.

Subject to the Shareholders’ approval for the Amendments to increase the Scheme Limits, the Consideration will be satisfied by Seamless by way of transfer of 60,000,000 Consideration Shares and 42,453,613 Consideration Shares at the Transfer Price of HK\$7.64 per Consideration Share to Mobile Value and Connected Globe (or any other entity(ies) as designated by the Company), respectively, within ten (10) Business Days from Completion. The Transfer Price represents:

- (i) a discount of approximately 0.78% to the closing price of HK\$7.70 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 1.06% over the average closing price of HK\$7.56 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the Last Trading Day;
- (iii) a premium of approximately 3.16% over the average closing price of HK\$7.41 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to the Last Trading Day;
- (iv) a premium of approximately 0.86% over the average closing price of HK\$7.58 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days prior to the Last Trading Day;

LETTER FROM THE BOARD

- (v) a premium of approximately 0.56% over the average closing price of HK\$7.60 per Share as quoted on the Stock Exchange for the last ninety (90) consecutive trading days prior to the Last Trading Day;
- (vi) a premium of approximately 474.44% over the unaudited net asset value of HK\$1.33 per Share as at 30 June 2021; and
- (vii) a premium of approximately 26.28% over the closing price of HK\$6.05 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The Transfer Price was determined after arm's length negotiations between the Transferors and the Transferees with reference to the average closing price per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day.

As at the Latest Practicable Date, the Company has 1,656,063,164 Shares in issue. The total number of 102,453,613 Consideration Shares represents approximately 6.19% of the total number of issued Shares as at the Latest Practicable Date.

Conditions precedent

Completion is subject to the fulfillment or, if capable of being waived, waiver (as the case may be) of the following conditions precedent:

- (i) the Restructuring and the Amendments having been approved at the EGM;
- (ii) Transferee 1 having been registered as the shareholder of the entire issued share capital of the Target Company;
- (iii) the representations and warranties made by the Transferors being true, accurate and complete when made and remaining so at the time of Completion, and all their commitments and agreements which should be fulfilled prior to or at Completion having been fulfilled, and the Transferees having received a certificate signed by the Transferors confirming the aforesaid;
- (iv) there being no law or ruling promulgated, formulated, implemented or passed by any government authority which may render the transactions contemplated under the Business Restructuring Agreement unlawful or otherwise restrict or prohibit the transactions contemplated under the Business Restructuring Agreement in other manners;

LETTER FROM THE BOARD

- (v) there being no outstanding or potential claim made to or by any government authority or by any third party against any party to the Business Restructuring Agreement or in respect of any Assets, which may restrict the transactions contemplated under the Business Restructuring Agreement, or make Completion unlawful or infeasible, or cause a material adverse impact;
- (vi) there being no event(s) that have occurred or are reasonably expected to occur which will cause a material adverse impact, individually or collectively;
- (vii) the Business Restructuring Agreement having been duly executed by all parties thereto; and
- (viii) the Transferors having issued to the Transferees a certificate confirming that all of the conditions precedent set out in paragraphs (i) to (vii) above have been fulfilled (save for those waived by the Transferees, if any).

Completion

Completion shall take place on the day on which all of the conditions precedent have been fulfilled or, if capable of being waived, waived by the Transferees (as the case may be). Condition precedent (i) above cannot be waived.

The Transferors and the Target Company (as the case may be) shall complete the transfer of the relevant business and employment contracts under the Target Business within thirty (30) days from Completion (or such longer period as may be agreed between the Transferees and the Transferors, if applicable) in the following manner:

- (i) the Transferors shall procure all relevant employees to enter into new employment contracts with the Transferees; and
- (ii) the Transferors shall transfer all relevant business contracts under the Target Business to the Transferees in the manner set out in the Business Restructuring Agreement and to the satisfaction of the Transferees.

Termination of the Business Restructuring Agreement

The Business Restructuring Agreement may be terminated upon written consent of all parties.

LETTER FROM THE BOARD

Information on the parties

Information on the Group and the Transferors

The Group is principally engaged in technology services based on the global mobile Internet ecosystem, providing SaaS tooling matrix, which includes advertising technology platform, data analytics platform, and cloud computing platform, to mobile application developers.

Transferor 1, Transferor 2, Transferor 3, Transferor 4, Transferor 5 and Transferor 8 are principally engaged in mobile advertising services.

Transferor 6 is principally engaged in investment holding.

Transferor 7 and Transferor 9 are principally engaged in technology and mobile advertising services.

Information on the Transferees

The Transferees are principally engaged in investment holding. To the best knowledge of the Company, as at the Latest Practicable Date, the equity interest of each of the Transferees was beneficially owned by (i) Mr. Duan as to approximately 40.35%; and (ii) each of the remaining beneficial owners as to less than 10%.

Information on Seamless

Seamless is principally engaged in investment holding. To the best knowledge of the Company, as at the Latest Practicable Date, the equity interest of Seamless was beneficially owned by (i) Mr. Duan as to approximately 40.35%; and (ii) each of the remaining beneficial owners as to less than 10%.

Information on the Target Company

The Target Company is principally engaged in the media planning and procurement business.

For the year ended 31 December 2020, all of the revenue of the Target Company was generated from the PRC.

LETTER FROM THE BOARD

Information on the Employee RSU Trustee, the Management RSU Trustee, Mobile Value and Connected Globe

Each of the Employee RSU Trustee and the Management RSU Trustee is engaged in trust or company service businesses and holds a trust or company service provider licence in Hong Kong.

Mobile Value and Connected Globe are principally engaged in holding the Shares for the RSU Schemes.

Financial information of the Target Business

The revenue and net profit (before and after taxation) of the Target Business for the six months ended 30 June 2020 and 2021, respectively, and for the year ended 31 December 2019 and 2020, respectively, are as follows:

	For the six months ended		For the year ended	
	30 June		31 December	
	2020	2021	2019	2020
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue	43,225	33,779	247,364	110,242
Profit before tax	3,724	1,362	23,110	10,384
Profit after tax	<u>3,165</u>	<u>1,158</u>	<u>19,644</u>	<u>8,826</u>

The Target Business recorded net assets of approximately US\$48,727,000 (equivalent to approximately HK\$380,070,600) as at 30 June 2021.

As set out in the above table, revenue of the Target Business was approximately US\$110.2 million in 2020, representing a decrease of approximately 55.4% as compared with the revenue of approximately US\$247.4 million in 2019. As a result, the profit before tax of the Target Business amounted to approximately US\$10.4 million in 2020 as compared to that of approximately US\$23.1 million in 2019, representing a decrease of approximately 55.1%. Such decrease was primarily attributable to the Group's active shrinkage and gradual scale down of its media planning and procurement business which commenced its business operation since 2018.

In view of the Group's strategy to actively shrink the media planning and procurement business, revenue and profit before tax of the Target Business continued to decline to approximately US\$33.8 million and US\$1.4 million, respectively, for the six months ended 30 June

LETTER FROM THE BOARD

2021, representing a decrease of approximately 21.9% and 63.4%, respectively, as compared with the revenue and profit before tax of approximately US\$43.2 million and US\$3.7 million, respectively, for the corresponding period in 2020.

For the year ended 31 December 2020, revenue of the Target Business was mainly generated from the PRC, Asia Pacific countries, EMEA (including Europe, Middle East and Africa) and other Asian countries, which accounted for approximately 55%, 20%, 21% and 4% of the total revenue of the Target Business, respectively. Most of the revenue from the PRC was generated by the Target Company and the rest was generated from the business contracts under the Target Business.

Financial effects of the Restructuring and intended use of proceeds

Based on the Consideration of US\$100,352,000 (equivalent to approximately HK\$782,745,600), the excess of the proceeds from the Restructuring above the net asset value of the Target Business of approximately US\$48,727,000 (equivalent to approximately HK\$380,070,600) as at 30 June 2021 is US\$51,625,000 (equivalent to approximately HK\$402,675,000).

The Group expects to record a disposal gain before tax on Restructuring of US\$51,625,000 (equivalent to approximately HK\$402,675,000).

Subject to the Shareholders' approval for the Amendments to increase the Scheme Limits, the Consideration will be satisfied by the Transferees by way of transfer of the Consideration Shares to Mobile Value and Connected Globe, which may be awarded to the directors, senior management, officers, employees, consultants of the Group as determined by the Board under the RSU Schemes. The Company currently intends to utilise such Shares as follows: 50% will be allocated to retain existing core talent; 20% will be allocated to attract new talent; and 30% will be awarded according to a mechanism tied to the stock performance of the Company. Details on the above intention and specific mechanism are subject to further refinement by the Company.

Further to the above, the Transferees agreed to return to the Company the Other Payables as at Completion on a dollar-for-dollar basis by cash, which sum will be used as general working capital of the Group.

LETTER FROM THE BOARD

Effect of the Restructuring on shareholding structure

For illustrative purpose only, the following table sets out the effect of the transfer of the Consideration Shares on the shareholding structure of the Company based on the total number of issued Shares as at the Latest Practicable Date and assuming the Completion having taken place (without taking into account any new Shares which may be issued or repurchased by the Company after the Latest Practicable Date and before the Completion save for the cancellation of the 3,564,000 Shares which had been repurchased but not yet canceled as at the Latest Practicable Date).

Shareholders	As at the Latest Practicable Date		Immediately upon transfer of the Consideration Shares	
	<i>Approximate % of entire issued share</i>	<i>Approximate % of entire issued share</i>	<i>Approximate % of entire issued share</i>	<i>Approximate % of entire issued share</i>
	<i>No. of Shares</i>	<i>capital</i>	<i>No. of Shares</i>	<i>capital</i>
Seamless (Note 1)	1,130,917,842	68.29%	1,028,464,229	62.24%
Guangzhou Mobvista (Note 1)	1,130,917,842	68.29%	1,028,464,229	62.24%
Mr. Duan (Note 2)	1,132,755,842	68.40%	1,030,302,229	62.35%
Mr. Cao (Note 3)	2,875,000	0.17%	2,875,000	0.17%
Mr. Fang Zikai (Note 4)	3,269,100	0.20%	3,269,100	0.20%
Mr. Song Xiaofei (Note 5, 6)	1,942,400	0.12%	1,942,400	0.12%
Connected Globe (Note 6)	1,329,950	0.08%	43,783,563	2.65%
Public Shareholders				
Mobile Value	12,867,245	0.78%	72,867,245	4.41%
Other public Shareholders	501,023,627	30.25%	497,459,627	30.10%
Total	1,656,063,164	100 %	1,652,499,164	100 %

Notes:

- Seamless holds 1,130,917,842 Shares in the Company, representing 68.29% of the issued shares. Seamless is wholly-owned by Guangzhou Mobvista. Therefore, Guangzhou Mobvista is deemed to be interested in the 1,130,917,842 Shares held by Seamless under the SFO.
- Mr. Duan, Guangzhou Huimao, Horgos Duanshi Pearl River Equity Investment Co., Ltd. and Guangzhou Huihong directly holds 12.94%, 17.97%, 4.20% and 5.24% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao is Guangzhou Huisui, which is owned by Mr. Duan as to 95%. Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. The general partner of Guangzhou Huihong is Guangzhou Huimu, which is owned by Mr. Duan as to 70%. Guangzhou Huimu holds the entire voting and disposition power in Guangzhou Huihong. Therefore, Mr. Duan is deemed to be

LETTER FROM THE BOARD

interested in Guangzhou Huimao's and Guangzhou Huihong's interest in Guangzhou Mobvista under the SFO. Horgos Duanshi Pearl River Equity Investment Co., Ltd. is wholly-owned by Mr. Duan; therefore, Mr. Duan is deemed to be interested in Horgos Duanshi Pearl River Equity Investment Co., Ltd.'s interest in Guangzhou Mobvista under the SFO. As a result, Mr. Duan is deemed to be interested in an aggregate of 40.35% interest in Guangzhou Mobvista, and thus is further deemed to be interested in the 1,130,917,842 Shares which Guangzhou Mobvista is interested in. Apart from that, Mr. Duan owns 1,838,000 Shares in the Company directly.

3. 2,875,000 Shares are held by CX Vision Holdings Limited, which is wholly-owned by Mr. Cao.
4. 2,969,100 Shares are held by Cool Effect Limited, which is owned by Mr. Fang as to 80%. Apart from that, Mr. Fang owns 300,000 Shares in the Company directly.
5. 1,942,400 Shares are held by Sierra Xray Limited, which is owned by Mr. Song as to 80%.
6. Out of the 1,329,950 Shares held by Connected Globe, 250,000 Shares are underlying Shares in respect of 250,000 unvested RSUs granted to Mr. Song Xiaofei.
7. Percentages may not add up to 100% due to rounding.

As the Consideration Shares are existing issued Shares, there will not be any dilution effect to the issued Shares as a result of the Restructuring.

Rationale and benefits of the Restructuring

The Group's media planning and procurement business was commenced since 2018. At that time, there was a growing trend of the Group's PRC-based customers expanding overseas. Meanwhile, the Group observed that overseas customers also had the need to enter the PRC market. Therefore, the Group set up a media planning and procurement team, dedicated to serving cross-border customers in online marketing and promotion in target markets, by helping them gain an entry into their target markets by driving traffic using top media.

However, since the second half of 2020, the Group observed that the mobile marketing industry is transforming from non-programmatic to programmatic, and the trend of decentralization and fragmentation of the mobile Internet ecosystem is becoming increasingly prominent, and therefore accelerated its transformation to the building of an integrated SaaS tooling matrix ecosystem. As a result, the impetus of the media planning and procurement business became different from that of the core business of the Group. For example, the media planning and procurement business focuses on embodying refined operational capabilities, strong working capital management capabilities, long term business relationships with the media platforms, as well as the related technical capabilities to serve those relationships. In contrast, the Group is primarily driven by research and development, focusing on developing platforms and SaaS-based solutions to meet the needs of mobile application developers throughout their life cycle. As the drivers, management logic, business goals, and financial goals of the media planning and procurement

LETTER FROM THE BOARD

business all differ from those of the Group, the Group believes that it would be preferable to have separate and independent management and operations for the media planning and procurement business. Furthermore, the business model of the media planning and procurement business generally requires the Group to remit funds in advance in order to provide recharging services or prepay advertising resources for customers, which typically occupies a comparatively large amount of operating cash flow of the Group and increases the risk of bad debt.

Due to the above reasons, the Group has been shrinking its media planning and procurement business since the second half of 2020.

As a result of the Group's strategy of withdrawing from the media planning and procurement business, as disclosed in the Company's annual report for the year ended 31 December 2020 published on 28 April 2021, the Group's net operating cash flow turned from negative of approximately US\$3.1 million in 2019 to positive of approximately US\$15.6 million in 2020. Due to the same reason, the Group's impairment loss on trade receivable demonstrated a significant decrease by approximately 54.5% from approximately US\$12.3 million in 2019 to approximately US\$5.6 million in 2020. Accordingly, the divestiture of the media planning and procurement business is conducive to reducing the risk of bad debt and improving the operating cash flow of the Group.

Moreover, the market segment currently served by the Target Business is highly competitive and affected by the economic environment. The recent increasingly tightening requirements for data protections and privacy security governance have also created uncertainties in this market segment. The Group therefore considers the Restructuring represents a good opportunity to divest a non-core business and preserve resources for growth-driving core businesses.

The Directors (other than Mr. Duan who is deemed to be interested in the Restructuring by reason of his interests in the Transferees) are of the view that the terms of the Business Restructuring Agreement are fair and reasonable, and the Restructuring is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix 1B to the Listing Rules

Based on the grounds set out below, the Company has applied to the Stock Exchange, and the Stock Exchange has granted, a waiver (the “**Waiver**”) from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix 1B to the Listing Rules to redact the names of the employees (“**Employees**”) to be transferred from the Transferors to the Transferees pursuant to the Restructuring as set out in the Appendix 2 to the version of the Business Restructuring Agreement to be published for online display.

LETTER FROM THE BOARD

1. The disclosure of the Employees' names could be in violation of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)

The Company noted that all the names and positions of the Employees are currently not available in the public domain (including social media) and there is no public information to identify such Employees in connection with the Company. The Company has asked for consents from the Employees to disclose their names as part of Appendix 2 to the Business Restructuring Agreement on the websites of the Stock Exchange and the Company but the Employees did not consent to such disclosure. As advised by its legal advisor, the Company is of the view that the disclosure of the Employees' names without their respective consents could be in violation of the Personal Data (Privacy) Ordinance (Cap. 486).

2. The Employees' names are of minor importance and the redaction of which will not influence assessment of the Company or the Restructuring

The Appendix 2 to the Business Restructuring Agreement sets out the names and positions of the Employees. As the Waiver does not extend to the redaction of the Employees' positions, the Independent Shareholders will be able to assess the impact of the transfer of the Employees on the Company based on the Employees' positions. As the Employees are neither Directors or senior management of the Company whose names have been disclosed in the Company's publications, their names are not in the public domain and would be completely unfamiliar, and of minor (if any) importance, to the Independent Shareholders to assess the matters set out in this circular. In view of the above, the omission of the Employees' names is not likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the informed assessment of the Company and the Restructuring, as all the material information has been included in this circular and/or the main body of the Business Restructuring Agreement.

3. The Group will have to substantially alter the deal structure of the Restructuring to avoid disclosure of the Employees' names if the Waiver is not granted, which will be seriously detrimental to the Group

The Transferees have indicated they will not proceed with the Restructuring based on the present deal structure if the Employees' names are required to be disclosed to the public as the disclosure of the Employees' names would highly likely be used by competitors and/or recruiters to solicit the Employees. The Transferees are of the view that the Employees represent a substantial and indispensable portion of the value of the Target Business and if they leave the Transferees soon after the Restructuring is completed, it will adversely affect the value of the Target Business. If the Waiver is not granted, the Group will have to incur a significant amount of time, manpower and costs to substantially alter the deal structure of the Restructuring to avoid disclosure of the Employees' names, which will be seriously detrimental to the Group.

LETTER FROM THE BOARD

Listing Rules Implications

As the highest applicable percentage ratio (as defined under the Listing Rules) is greater than 5% but less than 25%, the Restructuring constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In addition, as (i) Seamless is interested in 1,130,917,842 Shares, representing approximately 68.29% of the total issued share capital of the Company, and is therefore a controlling Shareholder; (ii) each of the Transferees is beneficially owned by Mr. Duan as to more than 30%; and (iii) the participants and beneficiaries of the Management RSU Scheme include the Directors and senior management of the Company or any of its subsidiaries, or their respective wholly-owned entities, each of Seamless, the Transferees, the Management RSU Trustee and Connected Globe is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. The Restructuring is therefore subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee (comprising all the independent non-executive Directors) will be formed to consider, and to advise the Independent Shareholders on the terms of the Business Restructuring Agreement and the transactions contemplated thereunder. The Company has appointed the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders on the terms of the Business Restructuring Agreement and the transactions contemplated thereunder.

2. PROPOSED AMENDMENTS TO THE RSU SCHEMES

The purpose of the RSU Schemes is to incentivise directors, senior management, officers, employees, consultants of the Group for their contribution to the Group and to attract and retain skilled and experience personnel for the future growth of the Group by providing them with the opportunity to own equity interests in the Company.

The Employee RSU Scheme was approved and adopted by the Board on 27 September 2018 and amended on 19 November 2018 and 7 December 2020, pursuant to which the maximum total number of underlying Shares under the Employee RSU Scheme is 79,249,858 Shares, representing approximately 4.79% of the total number of Shares in issue as at the Latest Practicable Date. The Management RSU Scheme was approved and adopted by the Board on 19 November 2018 and amended on 7 December 2020, pursuant to which the maximum total number of underlying Shares under the Management RSU Scheme is 15,750,300 Shares, representing approximately 0.95% of the total number of Shares in issue as at the Latest Practicable Date, respectively. RSUs that have lapsed may be re-granted in accordance with the rules of the RSU Schemes.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had granted a total of 93,423,917 RSUs to participants under the Employee RSU Scheme, of which 58,417,190 RSUs had been vested, nil RSUs had been cancelled, 17,800,862 RSUs had lapsed and 17,205,865 RSUs remained outstanding. As at the Latest Practicable Date, the Company had granted a total of 17,625,200 RSUs to participants under the Management RSU Scheme, of which 14,156,350 RSUs had been vested, nil RSUs had been cancelled, 2,567,000 RSUs had lapsed and 901,850 RSUs remained outstanding. As a result of these grants, the Company has only 3,626,803 and 692,100 RSUs available to be further granted under the Employee RSU Scheme and the Management RSU Scheme, respectively.

Pursuant to the rules of the RSU Schemes, any alteration or amendment to the terms of the RSU Schemes which is of a material nature shall be considered by the Employment RSU Trustee or the Management RSU Trustee (as applicable), respectively, following approval of the same by the Shareholders. The determination by the Employment RSU Trustee or the Management RSU Trustee (as applicable) as to whether any proposed alteration or amendment to the terms of the RSU Schemes is material shall be conclusive.

To continue recognising the contributions made by certain directors, senior management, officers, employees, consultants of the Group, continue motivating the aforementioned persons and promoting a greater alignment of interests between them and the Company and as an incentive to retain them and to attract suitable personnel for the Group's sustainable operation and development, the Board is pleased to announce that it has resolved on 17 November 2021 to make the Amendments so as to increase the Scheme Limits, which are subject to the Shareholders' approval at the EGM, so that additional Shares will be added to the share pools under the RSU Schemes.

Details of the Amendments are set out below:

Amendments to the rules of the Employee RSU Scheme

Rule 13 (Maximum Number of RSUs) is proposed to be amended and replaced in its entirety as follows:

13.1 The maximum number of RSUs that may be granted under this Employee RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of this Employee RSU Scheme) shall represent 139,249,858 Shares, subject to adjustment pursuant to any further capitalization issue, rights issue, consolidation, subdivision or reduction of share capital of the Company.

LETTER FROM THE BOARD

Save as aforesaid, other provisions of the rules of the Employee RSU Scheme shall remain unchanged.

Amendments to the rules of the Management RSU Scheme

Rule 13 (Maximum Number of RSUs) is proposed to be amended and replaced in its entirety as follows:

13.1 The maximum number of RSUs that may be granted under this Senior Management RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of this Senior Management RSU Scheme) shall represent 58,203,913 Shares, subject to adjustment pursuant to any further capitalization issue, rights issue, consolidation, subdivision or reduction of share capital of the Company.

Save as aforesaid, other provisions of the rules of the Management RSU Scheme shall remain unchanged.

The Directors consider that the Amendments will allow the Group to (i) continue to attract and retain and appropriately remunerate the best possible quality of employees and other eligible persons; (ii) motivate the eligible persons to optimise their performance and efficiency for the benefit of the Group; (iii) enhance its business, employee and other relations; and/or (iv) retain maximum flexibility as to the range and nature of rewards and incentives which the Group can offer to eligible persons. The Board therefore proposes that the Shareholders approve the Amendments so that the maximum number of Shares which may be granted pursuant to the RSU Schemes will be increased at the date of the Shareholders' approval to 139,249,858 for the Employee RSU Scheme and 58,203,913 for the Management RSU Scheme, representing approximately 8.41% and 3.51% of the total number of Shares in issue as at the Latest Practicable Date, respectively. As the Consideration Shares are existing issued Shares, there will not be any dilution effect to the issued Shares as a result of the Amendments.

It is the Company's current intention that it will not increase the Scheme Limits for at least three years from the date of Shareholders' approval for the Amendments for the (i) allotment and issue of new Shares to the RSU Schemes; (ii) purchase of existing Shares by the Management RSU Trustee or Employee RSU Trustee; or (iii) transfer of existing Shares from any Shareholder to the RSU Schemes under a share swap arrangement similar to that under the Restructuring, except for the transfer of existing Shares by any Shareholder to the RSU Schemes for no consideration.

LETTER FROM THE BOARD

Completion of the Restructuring is subject to fulfillment of the conditions precedent set out in the Business Restructuring Agreement, and the Restructuring may or may not proceed to Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

3. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee comprising Mr. Ying Lei, Mr. Hu Jie and Mr. Sun Hongbin (all of whom are independent non-executive Directors) to advise the Independent Shareholders as to whether the terms of the Business Restructuring Agreement and the transactions contemplated thereunder are (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders on how to vote. The Company has appointed Rainbow Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

4. EXTRAORDINARY GENERAL MEETING

Set out on pages EGM-1 to EGM-4 of this circular is the notice of the EGM containing, inter alia, ordinary resolutions in relation to the (i) Restructuring; and (ii) Amendments to the RSUs so as to increase the Scheme Limits.

5. FORM OF PROXY

A form of proxy is enclosed for use at the EGM. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.mobvista.com. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the EGM (i.e. before 10:00 a.m. on 20 February 2022) or at any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) if they so wish.

LETTER FROM THE BOARD

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and article 13.5 of the Articles of Association, any vote of Shareholders at a general meeting (save for certain procedural or administrative matters) must be taken by poll. The chairman of the EGM shall therefore demand voting on all resolutions set out in the notice of the EGM be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he is the holder. A Shareholder entitled to more than one vote on a poll needs not use all his votes or cast all the votes he uses in the same way.

Mobile Value and Connected Globe are required by the rules of the RSU Schemes to abstain from voting on the proposed resolutions approving the Restructuring and the Amendments at the EGM. As at the Latest Practicable Date, Mobile Value and Connected Globe were interested in, and controlled the voting right in respect of, 12,867,245 Shares and 1,329,950 Shares, representing approximately 0.78% and 0.08% of the equity interest in the Company, respectively.

Each of Mr. Duan and Seamless is considered to have a material interest in the Restructuring and is required to abstain from voting on the proposed resolution approving the Restructuring at the EGM. As at the Latest Practicable Date, Mr. Duan and Seamless were interested in, and controlled the voting right in respect of, 1,132,755,842 Shares and 1,130,917,842 Shares, representing approximately 68.40% and 68.29% of the equity interest in the Company, respectively. Mr. Duan has also abstained from voting on the Board resolution approving the Restructuring. As Mr. Duan entered into an undertaking with the Company on 18 November 2021, pursuant to which he irrevocably and unconditionally undertook that if the Restructuring proceeds, he shall not accept any Consideration Shares upon vesting of any RSUs which may be granted to him under the RSU Schemes, Mr. Duan did not abstain from voting on the Board resolution approving the Amendments to increase the Scheme Limit of the Management RSU Scheme, and will not abstain from voting on such resolution at the EGM. For further details on Mr. Duan's undertaking, please refer to the announcement of the Company dated 18 November 2021.

Each of Mr. Cao, Mr. Fang Zikai, Mr. Song Xiaofei (all of whom are executive Directors) as well as Mr. Wong Tak-Wai (a non-executive Director), who are all eligible persons under the Management RSU Scheme, have abstained from voting on the Board resolutions approving the Restructuring and the Amendments to increase the Scheme Limit of the Management RSU Scheme, respectively. Each of Mr. Cao, Mr. Fang Zikai and Mr. Song Xiaofei will also abstain from voting on such resolutions at the EGM. As at the Latest Practicable Date, Mr. Cao, Mr. Fang Zikai and

LETTER FROM THE BOARD

Mr. Song Xiaofei were interested in, and controlled the voting right in respect of, 2,875,000 Shares, 3,269,100 Shares and 1,942,400 Shares, representing approximately 0.17%, 0.20% and 0.12% of the equity interest in the Company, respectively.

7. RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 29 of this circular and the letter from the Independent Financial Adviser set out on pages 30 to 62 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in connection with the Restructuring and the principal factors considered by it in arriving at its recommendation. The Independent Board Committee, having taken into account the advice of Independent Financial Adviser, is of the opinion that (i) the terms of the Business Restructuring Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Business Restructuring Agreement, while not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole, and recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Restructuring. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Restructuring.

Yours faithfully,
By order of the Board
Mobvista Inc.
DUAN Wei
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Mobvista

Mobvista Inc.

匯量科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1860)

31 January 2022

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION RESTRUCTURING OF THE MEDIA PLANNING AND PROCUREMENT BUSINESS

We refer to the circular of the Company dated 31 January 2022 (the “**Circular**”), of which this letter forms part. Terms defined therein shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Business Restructuring Agreement are fair and reasonable, and whether the Restructuring and the transactions contemplated thereunder are (i) on normal commercial terms and in the ordinary and usual course of business of the Company; and (ii) in the interests of the Company and the Shareholders as a whole. Rainbow Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect.

Having considered the terms of the Restructuring and the Business Restructuring Agreement, and taken into account the advice of Rainbow Capital, we are of the opinion that (i) the terms of the Business Restructuring Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Business Restructuring Agreement, while not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Restructuring, the Business Restructuring Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of
the Independent Board Committee

Mr. Ying Lei

Mr. Hu Jie

Mr. Sun Hongbin

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Business Restructuring Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.



RAINBOW CAPITAL (HK) LIMITED
滙 博 資 本 有 限 公 司

31 January 2022

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION RESTRUCTURING OF THE MEDIA PLANNING AND PROCUREMENT BUSINESS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Company's proposed restructuring of the entire issued share capital of the Target Company and certain business contracts and employment contracts relating to the media planning and procurement business of the Group, pursuant to the Business Restructuring Agreement dated 17 November 2021. Details of the Business Restructuring Agreement and the Restructuring are set out in the "Letter from the Board" (the **"Letter from the Board"**) contained in the circular issued by the Company to the Shareholders dated 31 January 2022 (the **"Circular"**), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, the Target Company is directly wholly-owned by Transferor 7, which together with each of the other transferors (except the Company), is an indirect wholly-owned subsidiary of the Company. Seamless is interested in 1,130,917,842 Shares, representing approximately 68.29% of the total issued share capital of the Company, and is therefore a controlling Shareholder. Each of the Transferees is beneficially owned by Mr. Duan, the chairman of the Board, an executive Director and a controlling Shareholder as to more than

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30%. On the other hand, since the participants and beneficiaries of the Management RSU Scheme also include the Directors and senior management of the Company or any of their subsidiaries, or their respective wholly-owned entities, each of Seamless, the Transferees, the Management RSU Trustee and Connected Globe is regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) is greater than 5% but less than 25%, the Restructuring constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In light of the foregoing, the Restructuring is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and 14A of the Listing Rules. Since each of Mr. Duan and Seamless is considered to have a material interest in the Business Restructuring Agreement and the Restructuring, each of them and their respective associates is required to abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Business Restructuring Agreement and the Restructuring.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Ying Lei, Mr. Hu Jie and Mr. Sun Hongbin, has been formed to advise the Independent Shareholders in respect of the terms of the Business Restructuring Agreement and the Restructuring. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group and any other parties in the Business Restructuring Agreement that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Company or any other parties. Accordingly, we are qualified to give independent advice on the Business Restructuring Agreement and the Restructuring.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors

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and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the Business Restructuring Agreement and the Restructuring are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background to and reasons for the Restructuring

1.1 The Group

The Group is a leading technology platform providing advertising technology, data analytics and cloud computing technology services to the mobile application (“**Apps**”) developers globally based on its various platforms and tools, namely Mintegral and Nativex (for advertising technology business), GameAnalytics (for data analysis business) and SpotMax (for cloud computing technology business). Riding on its integrated Software-as-a-Service (“**SaaS**”) tooling matrix ecosystem, the Group mainly helps (i) Apps developers better acquire users, monetise their Apps and understand the performance of their Apps and behavior of their users; (ii) game developers and top media publishers with game advertising needs to analyse and track customers behaviors for optimising game operation; and (iii) Internet businesses that require more elastic clouding computing resources so as to optimise their procurement costs and efficiency in the process of deployment on the cloud or using cloud computing services. The Group was listed on the Stock Exchange in December 2018.

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The following table summarises (i) the audited consolidated financial information of the Group for the years ended 31 December 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”); and (ii) the unaudited consolidated financial information of the Group for the six months ended 30 June 2020 and 2021 as extracted from the interim report of the Company for the six months ended 30 June 2021 (the “**2021 Interim Report**”):

(a) Financial performance

	For the year ended 31 December		For the six months ended 30 June	
	2020	2019	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	516,148	500,257	307,756	266,907
<i>Advertising technology</i>	<i>515,457</i>	<i>500,257</i>	<i>307,287</i>	<i>266,747</i>
<i>Data analytics</i>	<i>560</i>	—	<i>333</i>	<i>160</i>
<i>Cloud computing technology</i>	<i>131</i>	—	<i>136</i>	—
Cost of sales	(434,008)	(381,494)	(265,331)	(208,659)
Selling and marketing expenses	(16,957)	(9,988)	(22,813)	(4,103)
Research and development expenses	(31,874)	(35,241)	(17,649)	(13,729)
General and administrative expenses	(44,342)	(51,230)	(15,864)	(18,220)
Expected credit loss allowance on trade receivables	—	—	(611)	(7,679)
Other net income	5,820	2,872	4,902	1,110
Change in fair value of derivative financial liabilities	—	—	(28,432)	—
Finance costs	(1,897)	(1,718)	(2,103)	(1,133)
Income tax	1,904	(1,389)	1,372	(1,396)
(Loss)/profit for the year/period attributable to equity shareholders of the Company	(5,206)	22,069	(38,773)	13,098

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For the years ended 31 December 2019 and 2020

For the year ended 31 December 2020, revenue of the Group was approximately US\$516.1 million, representing an increase of approximately 3.2% as compared with the revenue of approximately US\$500.3 million for the year ended 31 December 2019. Such increase was mainly attributable to the general increase in revenue generated from (i) the advertising technology business by approximately 3.0% from approximately US\$500.3 million in 2019 to approximately US\$515.5 million in 2020, primarily attributable to the significant growth in revenue from the Group's programmatic advertising platform, Mintegral, by approximately 105.4% from approximately US\$148.9 million in 2019 to approximately US\$305.8 million in 2020, which was partially offset by the decrease in revenue from Nativex, that was mainly driven by the Group's active shrinkage of the media planning and procurement business, by approximately 40.3% from approximately US\$351.4 million in 2019 to approximately US\$209.6 million in 2020. As disclosed in the 2020 Annual Report, the Group has been pursuing a business strategy for transformation to the building of an integrated SaaS tooling matrix ecosystem, with a view to reducing and gradually withdrawing from media planning and procurement business; (ii) the data analytics business from nil in 2019 to approximately US\$0.6 million in 2020, primarily attributable to the expansion of product line of SaaS tools of GameAnalytics and the widening of platform coverage; and (iii) the cloud computing technology business from nil in 2019 to approximately US\$0.1 million in 2020.

The net loss attributable to equity shareholders of the Company for the year ended 31 December 2020 was approximately US\$5.2 million, as compared with the net profit of approximately US\$22.1 million for the year ended 31 December 2019. Such change was primarily attributable to the increase in (i) costs of sales by approximately 13.8% from approximately US\$381.5 million in 2019 to approximately US\$434.0 million in 2020, mainly due to the increase in traffic acquisition cost and server cost of advertising technology business, resulting from the changes in the revenue structure, the recovery strategy of the Mintegral platform and the adjustment of the procurement structure of cloud server vendors during the year; and (ii) selling and marketing expenses by approximately 69.8% from approximately US\$10.0 million in 2019 to approximately US\$17.0 million in 2020, mainly due to the increased marketing and promotion of cloud computing products.

For the six months ended 30 June 2020 and 2021

For the six months ended 30 June 2021, revenue of the Group was approximately US\$307.8 million, representing an increase of approximately 15.3% as compared with the revenue of approximately US\$266.9 million for the six months ended 30 June 2020. Such increase was mainly attributable to the increase in revenue generated from (i) advertising technology business by approximately 15.2% from approximately US\$266.8 million to approximately US\$307.3 million, mainly due to the fact that the Group accelerated its transformation to the building of an integrated

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SaaS tooling matrix ecosystem, leading to an increase in revenue of approximately 40.6% in the Mintegral platform during this period, while it continued to shrink its media planning and procurement business which decreased its revenue by approximately 21.9% as compared to the same period in last year as advised by the management of the Group; and (ii) data analytics business by approximately 108.1% from approximately US\$0.2 million to approximately US\$0.3 million, mainly because of the increase in the number of game developers and monthly active users and the synergy between the SaaS tool, GameAnalytics and the Mintegral platform; and (iii) cloud computing technology business from nil to approximately US\$0.2 million, which was a new business of the Group for the six months ended 30 June 2021.

The net loss attributable to equity shareholders of the Company for the six months ended 30 June 2021 was approximately US\$38.8 million, as compared with the net profit of approximately US\$13.1 million for the six months ended 30 June 2020. Such change was primarily attributable to the increase in (i) costs of sales by approximately 27.2% from approximately US\$208.7 million for the six months ended 30 June 2020 to approximately US\$265.3 million in for the six months ended 30 June 2021, mainly due to the increase in traffic costs of advertising technology business by approximately 28.5% from approximately US\$196.2 million to approximately US\$252.1 million, since the Group adopted an expansion strategy to recover from the unsatisfactory business performance of the Mintegral platform in the second half of 2020; (ii) selling and marketing expenses by approximately 456.0% from approximately US\$4.1 million to approximately US\$22.8 million, mainly due to the active promotion of Mintegral's business and the cloud computing products; and (iii) investment loss from financial assets at fair value through profit or loss of approximately US\$28.4 million. Such increase was partially offset by the decrease in impairment loss on trade receivables by approximately 92.0% from approximately US\$7.7 million to approximately US\$0.6 million, mainly due to the Group's gradual withdrawal of its media planning and procurement business that occupied operating capital and has limited profit growth potential, and the improvement of account management of the Mintegral business.

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(b) Financial position

	As at 31 December		As at 30 June
	2019	2020	2021
	US\$'000	US\$'000	US\$'000
	(audited)	(audited)	(unaudited)
Non-current assets	67,353	102,062	119,097
Current assets	444,132	395,544	497,228
Current liabilities	238,998	220,574	305,491
Non-current liabilities	6,447	9,230	35,001
Net current assets	205,134	174,970	191,737
Net assets	266,040	267,802	275,833
Cash and cash equivalent	67,348	39,311	164,701

As at 30 June 2021, total assets of the Group amounted to approximately US\$616.3 million, representing an increase of approximately 23.9% as compared to that as at 31 December 2020. Total assets primarily consisted of trade and other receivables, cash and cash equivalents and intangible assets (primarily comprised capitalised expenditures of direct staff cost for the Group's business and cloud server costs). As at 30 June 2021, these three balances accounted for approximately 89.3% of total assets of the Group. The general increase in the net assets during the years/periods under review was primarily attributable to the increase in (i) cash and cash equivalents of approximately US\$125.4 million, mainly resulting from the net proceeds of approximately US\$54.6 million and US\$29.0 million, which were raised from the Group's placing of new shares for the development and expansion of cloud computing business and SaaS tooling matrix in April 2021 (the "**Placing**"), and issuance of convertible bonds for global expansion of advertising technology business and marketing of cloud computing business in January 2021 (the "**CB Issuance**"), respectively; and (ii) trade and other receivables and intangible assets of approximately US\$28.9 million and US\$17.2 million, respectively, mainly as a result of the general business expansion of the Group during the period.

The Group is financially healthy given its net current asset position. As at 30 June 2021, the Group recorded net current assets of approximately US\$191.7 million and net assets of approximately US\$275.8 million, respectively.

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(c) Overall comment

The advertising technology business has been the principal business segment of the Group, which was mainly divided into Mintegral platform and Nativex platform businesses. The Mintegral platform, being a programmatic advertising technology platform, provides customers with user growth and traffic monetisation services that reach all channels and global mobile devices, and has been the core platform of the Group. The Nativex platform, on the other hand, is a comprehensive marketing business which is principally engaged in the provision of media planning and procurement services and traditional non-programmatic advertising business. As disclosed in the 2021 Interim Report, it has all along been the Group's strategy to continue to transform its business to build an integrated SaaS tooling matrix ecosystem. Accordingly, the Group has been actively shrinking its media planning and procurement business, which occupies a large amount of operating capital liquidity and has high requirements on the scale of operations and sales personnel.

Accordingly, in view of the need to maintain abundant operating capital of the Group, we consider it justifiable for the Group to pursue the business strategy to transfer the media planning and procurement business, with a view to further consolidating its resources in building a dynamic ecosystem between advertisers, publishers, data analytics and cloud computing service users to sustain its business growth in the near future.

1.2 Information of the Target Business

(a) Background of the Target Business

Pursuant to the Business Restructuring Agreement, the Target Business comprised the entire issued share capital of the Target Company and certain business contracts and employment contracts relating to the media planning and procurement business of the Group. As advised by the management of the Group, the Target Business primarily comprises the provision of (i) top media recharge business, which mainly provides advertisers with the account opening and recharging services on global top media platforms; and (ii) top media agency procurement business, which provides advertisers with the advertising services, such as the overall management and optimisation of advertisement contents on global top media platforms.

As advised by the management of the Group, in view of the rising trend of local customers to expand into the overseas market, and correspondingly, the Group also noted that there has been a demand for overseas customers to enter into the local market, the Group commenced to set up a media planning and procurement team in 2018, which aims at providing top media recharge and top media agency procurement services for cross-border customers in online marketing and promotion so as to assist them to enter into their target markets. The Target Business is principally

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domiciled in the PRC and has four core strategic partners overseas, namely Facebook Inc, Alphabet Inc, Snap Inc and Tik Tok Pte Ltd, which connects the customers globally with respect to its media planning and procurement business. As disclosed in the letter from the Board, for the year ended 31 December 2020, revenue of the Target Business was mainly generated from the PRC, Asia pacific countries, EMEA (including Europe, Middle East and Africa) and other Asian countries, which accounted for approximately 55%, 20%, 21% and 4% of the total revenue of the Target Business, respectively. Most of the revenue from the PRC was generated by the Target Company and the rest was generated from the business contracts under the Target Business.

(b) Financial information of the Target Business

The following table summarises the financial information of the Target Business for the years ended 31 December 2019 and 2020 and for the six months ended 30 June 2021:

	For the six months ended 30 June 2021 US\$'000 (unaudited)	For the year ended 31 December 2020 US\$'000 (audited)	2019 US\$'000 (audited)
Revenue	33,779	110,242	247,364
Profit before tax	1,362	10,384	23,110
Profit after tax	1,158	8,826	19,644

As set out in the above table, revenue of the Target Business was approximately US\$110.2 million in 2020, representing a decrease of approximately 55.4% as compared with the revenue of approximately US\$247.4 million in 2019. As advised by the management of the Group, such decrease was primarily attributable to the Group's active shrinkage and gradual scale down of its media planning and procurement business which commenced its business operation since 2018. In addition, the decrease in revenue of the Target Business was also in line with the decrease in proportion of the revenue from Nativex business (which comprised the media planning and procurement business) out of the Group's total revenue, which dropped from approximately 70.2% in 2019 to approximately 40.7% in 2020. As a result, the profit after tax of the Target Business amounted to approximately US\$8.8 million in 2020 as compared to that of approximately US\$19.6 million in 2019, representing a decrease of approximately 55.1%.

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In view of the Group's strategy to actively shrink the media planning and procurement business, revenue and profit after tax of the Target Business continued to decline to approximately US\$33.8 million and US\$1.2 million, respectively, for the six months ended 30 June 2021. As disclosed in the Letter from the Board, the unaudited net assets of the Target Business amounted to approximately US\$48.7 million as at 30 June 2021.

1.3 Outlook of the media planning and procurement business

While online users increasingly rely on the use of mobile Apps for their everyday activities and needs, the processing of personal data through such tools poses significant risks to users' security and privacy. As disclosed in the 2020 Annual Report, global regulatory agencies have been increasingly tightening requirements for data protections and privacy security governance, which is evidenced by the enactment of the General Data Protection Regulation followed by the European Union and the United Kingdom in 2018, as well as the enactment of California Consumer Privacy Act of 2018 which came into force in the United States at the beginning of 2020 and was further strengthened in August in the same year. As a result, in view of the increasing enactments of these regulations coming into force since 2018 which serve to protect more privacy of data, it can be seen that the media planning and procurement business of the Group, which uses mobile Apps as the main mobile media platforms where the customers' advertisements are placed overseas, may result in the Group's customers to limit the use of mobile Apps as marketing and promotional means. Accordingly, such unforeseen changes on the use of social media in certain overseas countries is expected to bring uncertainty to the Group's media planning and procurement business.

According to a report named "US Report Programmatic on In-Housing" published in August 2020 issued by Interactive Advertising Bureau (the "**IAB Report**"), an advertising business organisation headquartered in New York City and founded in 1996 which comprises more than 650 leading media and technology companies responsible for delivering and optimising digital advertising and marketing campaigns, it states that in the United States, the proportion of programmatic advertising spending in digital display advertising has reached 85% while non-programmatic advertising spending only accounts for 15% in 2020, indicating the market trend and popularity of programmatic advertising in the United States, a nation in the world which accounts for the vast majority of programmatic spend worldwide according to the IAB Report. Based on the aforesaid, taking into account that the remaining business of the Group will principally comprise programmatic advertising technology business after the Restructuring which is expected to substantiate the Group's strategy to transform and build an integrated SaaS tooling matrix ecosystem, we consider the Restructuring is justifiable.

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1.4 Reasons for and benefits of the Restructuring

As disclosed in the 2020 Annual Report, the mobile marketing industry continues to transform from non-programmatic to programmatic, and the trend of decentralisation and fragmentation of the mobile Internet ecosystem is becoming increasingly prominent. In terms of business, the media planning and procurement business comparatively focuses on strong working capital management and refined operational capabilities while the Group has been emphasising on SaaS-based solutions in recent years, as evidenced by the use of net proceeds from the recent fund raising exercises and acquisition of third party platforms with primary focus on strengthening its SaaS tooling matrix in the current year. In view of the abovementioned difference in the operational and development strategies of the two businesses, the Group is of the view that it would be more suitable to have separate and independent management and operations for the media planning and procurement business.

As advised by the management of the Group, the business model of media planning and procurement business generally requires the Group to remit funds in advance in order to provide recharging services or prepay advertising resources for customers, which typically occupies a comparatively large amount of operating cash flow of the Group and increases the risk of bad debt. As disclosed in the 2020 Annual Report, the Group's net operating cash flow turned from negative of approximately US\$3.1 million in 2019 to positive of approximately US\$15.6 million in 2020, primarily attributable to the Group's persistence on withdrawing from the media planning and procurement business that occupies operating capital and has slower profit growth. Due to the same reason, the Group's impairment loss on trade receivable demonstrated a significant decrease by approximately 54.5% from approximately US\$12.3 million in 2019 to approximately US\$5.6 million in 2020. Accordingly, the divestiture of the media planning and procurement business is conducive to reducing the risk of bad debt and improving the operating cash flow of the Group.

The market segment currently served by the Target Business is highly competitive and affected by the economic environment. As set out in the sub-section above headed "1.3 Outlook of the media planning and procurement business", the recent increasingly tightening requirements for data protections and privacy security governance have also created uncertainties in this market segment. The Group therefore considers the Restructuring represents a good opportunity to divest a non-core business and preserve resources for growth-driving core businesses.

As disclosed in the 2020 Annual Report, the Group is dedicated to building an integrated SaaS tooling matrix ecosystem that serves the online growth of global developer, ranging from statistical analytics, monetisation, cross-channel advertising, programmatic creatives and optimisation management of cloud computing infrastructure. As advised by the management of the

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Group, although the media planning and procurement business is still profitable, the divestiture of this sector will facilitate the Group to concentrate its resources on its strategic positioning towards the building of an integrated SaaS tooling matrix ecosystem.

As disclosed in the Letter from the Board, from the perspective of the Group, even though the media planning and procurement business will be transferred out of the Group under the Restructuring, the Consideration Shares will be added to the share pools under the RSU Schemes for attracting and retaining high quality talents in the future, which is beneficial to the Group's operation and development.

Taking into account (i) the difference in the operational and development strategies of the media planning and procurement business and the programmatic advertising technology business as aforesaid, which facilitates separate and independent management and operations for the media planning and procurement business; (ii) the divestiture of the media planning and procurement business is conducive to reducing the risk of bad debt and improving the operating cash flow of the Group; (iii) the potential uncertainty of the Target Business which was brought along by unforeseen changes of overseas countries on mobile Apps, that is observed by the increasing enactments of regulations about data protection since 2018 as mentioned in the sub-section above headed "1.3 Outlook of media planning and procurement business"; and (iv) the Restructuring is in line with the business strategies of the Group to transform and build an integrated SaaS tooling matrix ecosystem, we are of the view that the Business Restructuring Agreement and the Restructuring are justifiable and fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Business Restructuring Agreement

For details of the terms of the Business Restructuring Agreement, please refer to the section headed "The Restructuring" in the Letter from the Board. Set out below are the principal terms of the Business Restructuring Agreement:

2.1 Subject matter

On 17 November 2021 (after trading hours), the Transferors entered into the Business Restructuring Agreement with the Transferees, Seamless and the Target Company (a direct wholly-owned subsidiary of Transferor 7), pursuant to which, among other things, the Transferors (as applicable) conditionally agreed to transfer, and the Transferees (as applicable) conditionally agreed to receive, the Target Business for the Consideration.

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2.2 *Consideration*

Pursuant to the Business Restructuring Agreement, the Consideration is determined at approximately US\$100.4 million (equivalent to approximately HK\$782.7 million) for the transfer of the Target Business, which comprises:

- (a) approximately US\$90.1 million (equivalent to approximately HK\$702.8 million), representing the consideration for the transfer of the Target Business excluding other payables due from the Target Business to the Company (the “**Other Payables**”) amounting to approximately US\$15.7 million as at 30 June 2021 (representing the amount of long term working capital funded by the Company to the Target Business and the balance of which fluctuates from time to time), which was determined based on the valuation of the Target Business of US\$104.9 million (equivalent to approximately HK\$818.2 million) as at 30 June 2021 appraised by Moore Transaction Services Limited (the “**Valuer**”), an independent valuer, using the market approach, on the basis that the Other Payables was excluded from the valuation and that the Other Payables as at 31 October 2021 would be added back to form the Consideration; and
- (b) approximately US\$10.3 million (equivalent to approximately HK\$79.9 million), representing the Other Payables as at 31 October 2021.

Further to the above, the Transferees agreed to return to the Company the Other Payables as at Completion on a dollar-for-dollar basis by cash.

Subject to the Shareholders’ approval for the Amendments to increase the Scheme Limits, the Consideration will be satisfied by Seamless by way of transfer of 60,000,000 Consideration Shares and 42,453,613 Consideration Shares at the Transfer Price of HK\$7.64 per Consideration Share to Mobile Value and Connected Globe (or any other entity(ies) as designated by the Company), respectively, within ten (10) Business Days from Completion. The total number of 102,453,613 Consideration Shares represents approximately 6.19% of the total number of issued Shares as at the Latest Practicable Date.

2.3 *Condition Precedent*

Completion is conditional upon the fulfillment or, if capable of being waived, waiver (as the case may be) of, among other things, (a) the Restructuring and the Amendments having been approved at the EGM; (b) Transferee 1 having been registered as the shareholder of the entire issued share capital of the Target Company; and (c) the representations and warranties made by the Transferors in the Business Restructuring Agreement being true, accurate and complete.

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As at the Latest Practicable Date, none of the above conditions precedent have been fulfilled or waived.

2.4 Completion

Completion shall take place on the day on which all of the conditions precedent have been fulfilled or, if capable of being waived, waived by the Transferees (as the case may be). Condition (a) above cannot be waived.

It is further stated in the Business Restructuring Agreement that the Transferors and the Target Company (as the case maybe) shall complete the transfer of the relevant business and employment contracts under the Target Business within thirty (30) days from Completion (or such longer period as may be agreed between the Transferees and the Transferors, if applicable).

2.5 Termination

The Business Restructuring Agreement may be terminated upon written consent of all parties.

3. Assessment of the principal terms of the Business Restructuring Agreement

3.1 Independent valuations and evaluation of the Consideration

The Consideration of approximately US\$100.4 million (equivalent to approximately HK\$782.7 million), which was determined after arm's length negotiations and comprises the consideration for (i) the transfer of the Target Business of approximately US\$90.1 million (equivalent to approximately HK\$702.8 million) excluding the Other Payables amounting to approximately US\$15.7 million as at 30 June 2021; and (ii) the settlement of the Other Payables as at 31 October 2021 of approximately US\$10.3 million (equivalent to approximately HK\$79.9 million).

Regarding the consideration of approximately US\$90.1 million (equivalent to approximately HK\$702.8 million), it was primarily determined with reference to the independent business valuation of the Target Business conducted by the Valuer as at 30 June 2021 (the “**Target Valuation**”) excluding the Other Payables amounting to approximately US\$15.7 million as at 30 June 2021 (representing the amount of long term working capital funded by the Company to the Target Business and the balance of which fluctuates from time to time), on the basis that the Other Payables amounting to approximately US\$15.7 million as at 30 June 2021 was excluded from the valuation and that the Other Payables as at 31 October 2021 would be added back to form the

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Consideration. The Target Valuation represents the market value of the Target Business of approximately US\$104.9 million (equivalent to approximately HK\$818.2 million). The text of the Target Valuation is set out in Appendix II to the Circular.

Regarding the settlement of the Other Payables as at 31 October 2021 of approximately US\$10.3 million (equivalent to approximately HK\$79.9 million), it was primarily determined based on the amount of long term working capital funded by the Company to the Target Business as at 31 October 2021, which shall be returned to the Company upon the transfer of the Target Business.

It was stipulated in the Business Restructuring Agreement that the Transferees agreed to return the Other Payables as at Completion on a dollar-for-dollar basis by cash. We consider that it is essentially a refund by the Transferees to the Group in relation to its investment costs on the media planning and procurement business upon Completion. On this basis, we consider it a reasonable term.

For more details of our analysis of the consideration of approximately US\$90.1 million (equivalent to approximately HK\$702.8 million), please refer to the sub-section below headed “3.1(i) The Target Valuation”. Although the Target Business was valued as at 30 June 2021, as at the Latest Practicable Date, we do not aware of any circumstances which would cause the market value of the Target Business to change materially from the Target Valuation. As such, we concurred with the management of the Group that the Target Valuation remains a relevant source in reflecting the market value of the Target Business.

(i) The Target Valuation

(a) Valuation approach and methodology

In the process of assessing the Target Valuation, we are advised by the Valuer that they have considered three generally accepted valuation approaches, namely the market approach, the income approach and the cost approach. In determining the Target Valuation, the Valuer considered that the market approach is the most appropriate one. In particular, the cost approach was not adopted primarily since the Valuer is of the view that the future economic benefits of the Target Business will not be considered in such a valuation. The income approach is also not considered appropriate, given this method requires significant level of judgements and more subjective assumptions to be made.

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As a result, the market approach, which relates to the Target Valuation by primarily making reference with publicly traded comparable companies engaging in the similar industry of the Target Business, are used to arrive at the market value of the Target Business. In our view, we agree that it is not appropriate to use the cost approach as the value of the Target Business depends on its earnings but not its asset base. We also consider that income approach requires numerous assumptions which are subjective in nature. As such, we concur with the view of the Valuer that market approach is an appropriate valuation approach to be adopted for the Target Valuation.

Under the said approach adopted, the Valuer has determined the price-to-earnings multiple (the “**P/E**”) and the EV/EBITDA multiple (the “**EV/EBITDA**”) to be most appropriate in determining the value of the Target Business. For the purpose of independent assessment of the fairness and reasonableness of the Target Valuation of approximately US\$104.9 million, we have considered three most commonly used valuation methodologies, namely the P/E, price-to-book multiple (the “**P/B**”) and price-to-sale multiple (the “**P/S**”).

We consider that it is not appropriate to use P/B, on the basis that (i) the value of the Target Business depends on its earnings but not its asset base, based on our discussion and understanding with the management of the Group; (ii) P/B is not commonly used and widely accepted for the industry of the Target Business, based on our discussion and understanding with the Valuer, as well as our understanding that it is a market consensus to typically adopt P/B for valuing companies which are generally asset-intensive. The Target Business, which is primarily engaged in the provision of services, is generally asset-light in nature which renders the use of P/B to be less effective in the Target Valuation; and (iii) the book value of the Target Business primarily comprises of trade receivables, based on our independent review of the audited financial information of the Target Business for the years ended 31 December 2019 and 2020 and for the six months ended 30 June 2021. As such, the future prospect of the Target Business cannot be captured by its book value when P/B is adopted in the valuation of the Target Business. We also consider that P/S not appropriate because it does not capture the differences in cost structures across companies. Given that (i) the usage of P/E and EV/EBITDA are widely used valuation multiples under the market approach; (ii) the relevance of using P/E and EV/EBITDA given the Target Business have been profitable in the latest two financial years and for the six months ended 30 June 2021; and (iii) following discussions with the Valuer as to the rationale for using P/E and EV/EBITDA, we concur with the Valuer that the usage of P/E and EV/EBITDA is a reasonable approach.

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(b) Selection criteria of the comparable companies and relevant adjustments on the Target Valuation

As set out in Appendix II to the Circular, in assessing the Target Valuation, based on our discussion with the Valuer, the Valuer has identified four comparable companies as a reference for determining the consideration of approximately US\$90.1 million, primarily based on the following selection criteria:

- (A) The companies provide similar mobile advertising services, including advertising agency related services, which are the principal or one of the principal business activities of these companies;
- (B) The principal business of the companies is mainly domiciled in China;
- (C) The companies recorded positive earnings in the last-twelve-month (“LTM”) period; and
- (D) The companies’ shares were actively traded in the market and have sufficient relevant financial information which are publicly available.

We have reviewed the above selection criteria of comparable companies as adopted by the Valuer by carrying out our own independent research. In this regard, we have identified comparable companies on Bloomberg that (a) are listed in Hong Kong; (b) are principally engaged in the provision of media planning and procurement services; (c) over 50% of the revenue are generated from China; and (d) are profit making in the LTM period.

By using such selection criteria which matches with those as adopted by the Valuer, we have then identified four comparable companies which are the same with those identified by the Valuer as set out in Appendix II to the Circular. As such, we consider that no other suitable comparable company is omitted and our independent research results are identical to those provided by the Valuer. Accordingly, we are of the view that the list of comparable companies analysed by the Valuer for the purpose of preparing the Target Valuation are representative and exhaustive.

Taking into consideration that the Target Business is principally engaged in the provision of media planning and procurement services with its revenue predominantly generated from China, which is comparable to the comparable companies, we further consider that the selection criteria of the comparable companies adopted by the Valuer are appropriate.

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For illustrative purpose, the following table set out the details of the comparable companies:

Company name (stock code)	Principal activities (including geographical location of the business)	Percentage of revenue contributed by the business similar to the Target	Market capitalisation as at 30 June 2021	P/E	EV/EBITDA
		Business	(Note 1) (HK\$ million)	(Note 2) (times)	(Note 3) (times)
Joy Spreader Group Inc. (“ Joy Spreader ”) (6988.HK)	Joy Spreader operates as a media marketing service provider. It also provides performance-based marketing services. It provides its service throughout China.	100%	6,897.8	34.42 (net profit for LTM period: approximately HK\$200.4 million)	25.46 (EBITDA for LTM period: approximately HK\$237.0 million)
Newborn Town Inc. (“ Newborn Town ”) (9911.HK)	Newborn Town operates mobile application development businesses. It mainly provides its service throughout China.	55.6%	6,767.8	22.65 (net profit for LTM period: approximately HK\$298.8 million)	17.27 (EBITDA for LTM period: approximately HK\$375.1 million)
Netjoy Holdings Limited (“ Netjoy ”) (2131.HK)	Netjoy offers advertising and marketing services. The company also provides big data empowered short video marketing solutions development. It offers services in China.	99.6%	5,300.1	29.25 (net profit for LTM period: approximately HK\$181.2 million)	29.09 (EBITDA for LTM period: approximately HK\$176.4 million)

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Company name (stock code)	Principal activities (including geographical location of the business)	Percentage of revenue contributed by the business similar to the Target Business	Market capitalisation as at 30 June 2021 (Note 1) (HK\$ million)	P/E (Note 2) (times)	EV/EBITDA (Note 3) (times)
Duiba Group Limited ("Duiba") (1753.HK)	Duiba operates as an advertising platform operator. The company also provides big data analysis, platform user operation management, mobile advertising and other services. It offers services in China.	92.5%	2,434.8	43.17 (net profit for LTM period: approximately HK\$56.4 million)	35.49 (EBITDA for LTM period: approximately HK\$59.6 million)
		Maximum	6,897.8	43.17	35.49
		Minimum	2,434.8	22.65	17.27
		Average	5,350.1	32.37	26.83
		Median	6,034.0	31.84	27.28

Source: Bloomberg and latest published annual reports of the respective comparable companies

Notes:

1. Extracted from Bloomberg.
2. Based on net profit for the last twelve months prior to 30 June 2021, as referenced to the latest published financial reports of the comparable companies.
3. EBITDA is extracted from Bloomberg.
4. For illustrative purpose, exchange rate of RMB1: HK\$1.2 was adopted.

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Size adjustments

As advised by the Valuer, due to the differences in size between the Target Business and comparable companies, the P/E and EV/EBITDA of each comparable company has been adjusted with the size premium according to the size difference between the Target Business and comparable companies in order to derive an adjusted P/E multiple (the “**Adjusted P/E**”) and adjusted EV/EBITDA multiple (the “**Adjusted EV/EBITDA**”), as follows:

Company name (stock code)	Size differentials (Note 1)	Adjusted P/E (Note 2)	Adjusted EV/EBITDA (Note 2)
Joy Spreader (6988.HK)	3.55%	15.49	11.46
Newborn Town (9911.HK)	3.55%	12.56	9.57
Netjoy (2131.HK)	3.55%	14.35	14.27
Duiba (1753.HK)	2.72%	19.86	16.32
	Maximum	19.86	16.32
	Minimum	12.56	9.57
	Average	15.56	12.91
	Median	14.92	12.86

Notes:

1. The size differentials are referenced to Center for Research in Security Prices Deciles Size Premia as of 31 December 2020, by Duff and Phelps — Cost of Capital Navigator (“**Duff and Phelps**”), which was mentioned under the sub-section headed “4.5.5. Size Adjustments on Valuation Multiples” in Appendix II to the Circular.
2. The adjusted P/E and adjusted EV/EBITDA of each comparable company was derived by substituting the respective unadjusted multiples and size differentials in the formula as mentioned under the sub-section headed “4.5.5. Size Adjustments on Valuation Multiples” in Appendix II to the Circular.

In deriving the size premium of different comparable companies, the Valuer has made reference to the “Adjusting Guideline Multiples for Size” by Mattson, Shannon and Drysdale published in September/October 2001 Valuation Strategies (the “**Guideline**”), which allocates the size premium based on different market capitalisation of companies. The Guideline used by the Valuer in deriving the size premium is, in our view, appropriate, given we are advised by the Valuer that such size adjustment methodology is widely used by professional valuers in the industry and is still cited in recent academic research papers and publications. The Valuer then compares the size premium of the Target Business and each comparable company to derive the size adjustment. Such size adjustment adopted by the Valuer for the purpose of valuing the Target Business is, in our view, reasonable, given (i) the differences in size between the comparable

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companies and the Target Business, in particular the size of the Target Business is much smaller than the market capitalisation of the comparable companies based on our independent research, and as such a size adjustment should be imposed to address the size difference; (ii) our independent review of Duff and Phelps, which we noted that the size differentials therein is the same as that adopted by the Valuer in deriving the adjusted multiples of the Target Valuation. Based on our independent research, Duff and Phelps is a global valuation and corporate finance advisor with over 3,500 employees and 28 countries around the world which is well recognised in the industry; and (iii) our discussions with the Valuer as to the rationale for using adopting such size adjustment.

According to the above size adjustments table and the valuation report of the Target Valuation as set out in Appendix II to the Circular, the average of the Adjusted P/E and Adjusted EV/EBITDA is approximately 15.56 times and 12.91 times, respectively, and is within the respective range of 12.56 times to 19.86 times and 9.57 times to 16.32 times of the comparable companies as adopted by the Valuer. The Target Valuation is then further adjusted by a control premium of 11.5% and a marketability discount of 15.8%, as follows:

Valuation multiples	Adjusted P/E <i>Approximately</i> US\$' 000	Adjusted EV/EBITDA <i>Approximately</i> US\$' 000
Financial figures for the LTM period (<i>Note 1</i>)	6,818	9,087
Multiply: Implied Adjusted P/E and Adjusted EV/EBITDA for the transfer of the Target Business	15.56	12.91
Equity value / Enterprise value	106,094	117,316
Marketability discount	15.8%	15.8%
Control premium	11.5%	11.5%
Consideration for the Target Business using implied Adjusted P/E and EV/EBITDA	99,605	110,140
Consideration for the Target Business (rounded) <i>(Note 2)</i>		104,900

Note 1: The financial figures for the LTM period were provided by the Company. In deriving the calculation of equity value (i.e. using the adjusted P/E) and enterprise value (i.e. using the adjusted EV/EBITDA), we extracted the net profits of approximately US\$6.8 million and net profits before interest and depreciation charges of approximately US\$9.1 million of the Target Business for the LTM period as provided by the Company, respectively.

Note 2: The Consideration is derived from the averages of consideration as calculated by adopting the implied Adjusted P/E and Adjusted EV/EBITDA.

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Control premium and marketability discount

As seen from the above table, the Valuer has taken into consideration of control premium and marketability discount in arriving the Target Valuation. According to the Valuer, the control premium of 11.5% is adopted in determining the consideration of approximately US\$90.1 million (equivalent to approximately HK\$702.8 million), since the value of the controlling interest in a company is usually higher than the minority interest, in view of the greater power to control the company for controlling shareholders. For our due diligence purpose, we have reviewed published circulars of listed companies in Hong Kong which involved transactions whereby a control premium was applied in the valuation of the subject companies from 16 November 2019 (the “**Research Period**”), being approximately two years prior to the date of the Business Restructuring Agreement up to and including the Latest Practicable Date. Based on the above criteria, we have identified a list of 12 disposal transactions (the “**Reference Transactions**”), which we believe are exhaustive based on our search on the website of the Stock Exchange. As the Research Period provides a sufficient sample size for our analysis and is a period not too remote from the Latest Practicable Date, we consider that the Research Period is fair and representative.

Based on the Reference Transactions, we noted that the implied control premium ranged from approximately 9.8% to 39.0% (the “**Control Premium Range**”), of which the control premium applied by the Valuer of 11.5% lies in the low end and is lower than the average of the Control Premium Range. For illustrative purpose, the control premium adopted in the Reference Transactions are shown as follows:

Date of circular	Company (stock code)	Control premium adopted in the Reference Transactions	Relationship of the purchaser with the subject company	Source of control premium
24 December 2021	Shungfeng International Clean Energy Limited (1165.HK)	24.8%	Independent third party	“Control Premium Study: 4rd Quarter 2020” by FactSet Mergerstat, LLC”
10 December 2021	Excellence Commercial Property & Facilities Management Group Limited (6989.HK) (“ECPFM”)	16.1%	Connected person, shareholder holding approximately 9.64% equity interests of ECPFM	“The average of announced premium of all transactions in the past five years in the “Financial” sectors, and the data of those transactions are available in Bloomberg.”

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Date of circular	Company (stock code)	Control premium adopted in the Reference Transactions	Relationship of the purchaser with the subject company	Source of control premium
30 August 2021	Kong Sun Holdings Limited (295.HK)	20.0%	Independent third party	“Control Premium Study, 2nd Quarter 2018, FactSet Mergerstat, LLC”
25 February 2021	Transmit Entertainment Limited (1326.HK) (“TEL”)	24.8%	Connected person, director of certain subsidiaries (i.e. non-shareholder of TEL)	“The 2020 Second Quarter Control Premium Study published by Factset Mergerstat and BVR”
29 October 2020	Sinosoft Technology Group Limited (1297.HK) (“Sinosoft”)	N/A (Note 1)	Connected person, controlling shareholder of Sinosoft	N/A (Note 1)
16 October 2020	HJ Capital (International) Holdings Company Limited (982.HK) (“HJ Capital”)	9.8%	Connected person, controlling shareholder of HJ Capital	“The average premium percentage of minority interest transactions from 2015 to 2019 set out in Mergerstat Review”
15 June 2020	Shungfeng International Clean Energy Limited (1165.HK)	33.1%	Independent third party	“Control Premium Study: 3rd Quarter 2019” by FactSet Mergerstat, LLC”
5 June 2020	China NT Pharma Group (1011.HK)	20.4%	Independent third party	“FactSet Mergerstat, LLC”
12 May 2020	U Banquet Group Holdings Limited (1483.HK)	28.8%	Independent third party	“FactSet Mergerstat, LLC”
28 February 2020	Coslight Technology International Group Limited (1043.HK)	25.0%	Independent third party	“Value of Corporate Control: Some International Evidence” by Paul Hanouna, Atulya Sarin, and Alan C. Shapiro”
6 January 2020	Kong Sun Holdings Limited (295.HK)	20.0%	Independent third party	“Control Premium Study for the 2nd Quarter 2018 published by FactSet Mergerstat, LLC”

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Date of circular	Company (stock code)	Control premium	Relationship of the purchaser with the subject company	Source of control premium
		adopted in the Reference Transactions		
20 December 2019	China Tianyuan Healthcare Group Limited (557.HK) (“China Tianyuan”)	39.0%	Connected person at subsidiary level of China Tianyuan (i.e. non-shareholder of China Tianyuan)	“The 5-year average acquisition premium in the sector of Technology Services taken from the 2019 Mergerstat Review”
	Maximum	39.0%		
	Minimum	9.8%		
	Average	23.8%		
	Median	24.8%		

Note:

1. According to the circular of Sinsoft dated 29 October 2020, the valuer did not specifically apply a control premium in deriving the valuation of the target company. Instead, the valuer adopted a scoring system to take into account a number of adjusting factors, which include, among others, a control premium, in deriving the valuation of the target company. For details of the adjustment of control premium adopted in the valuation of the target company, please refer to pages I-35 and I-36 of Sinsoft’s circular dated 29 October 2020 for reference.

As seen from the above table, amongst the 12 Reference Transactions we identified, 7 transactions were entered into with independent third parties whereas the remaining 5 transactions were connected in nature. We noted that (i) for purchasers whom were also related to the shareholders of the subject company, valuers generally applied a relatively lower control premium (9.8% in HJ Capital and 16.1% in ECPFM) on the valuation of the related target as compared to other purchasers whom were (a) connected persons but not shareholders of the subject company or (b) independent third parties; and (ii) while most of the valuers considered researches including control premium studies published by Factset Mergerstat LLC (which the Valuer also made reference in deriving the Target Valuation according to the valuation report of the Target Business in Appendix II), the control premium adopted varies in each case (i.e. from 9.8% to 39.0%). For reference purpose, we have also performed a sensitivity analysis to illustrate the impact of changes of control premium on the valuation of the Target Business. Assuming an average and median control premium of 23.8% and 24.8% were used, the valuation of the Target Business would be approximately HK\$116.4 million and HK\$117.4 million, respectively, representing a change of approximately 11.0% and 11.9% as compared to the Target Valuation, respectively.

Based on our discussion with the Valuer, we understand that the Valuer applied a relatively low control premium as compared to the Reference Transaction. Given that (i) the Valuer has made reference to both “Control Premium Study for the 2nd Quarter 2021 published by FactSet

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Mergerstat, LLC” (“**Mergerstat Study**”) and the research “The Control premium: A preference for payoff autonomy” by David Owens, Zachary Grossman and Ryan Fackler on American Economic Journal: Microeconomic in 2014, which indicated a control premium of approximately 11.5% in average that falls under the Control Premium Range as identified from the Reference Transactions in the recent year, we consider the figure is also a relevant reference to the control premium used in the Target Valuation; (ii) our belief that no universal consensus exists as to which control premium to use and the adoption of which should be judged on a case by case basis. Based on our independent review of control premium studies issued by “Mergerstat Study”, a recent publication that presents compiled statistics relating to mergers and acquisitions that involve both publicly traded and privately held companies published by Business Valuation Resources, a publisher of auditable market data, news and research, for a total of 483 transactions investigated therein, the control premium demonstrated a wide range from -99.1% to 1,132.2%; and (iii) the Reference Transactions are for reference purpose only. While the control premium compares unfavorably to the Control Premium Range, in assessing the control premium, we are of the view that other benefits of the Restructuring should also be taken into consideration as a whole, in particular the divesture of the Target Business which is of different operational and development strategies as compared with the Group’s programmatic advertising technology business and the potential uncertainty of the Target Business as a result of increasing regulations as discussed in the sub-section above headed “1.4 Reasons and benefits for the Restructuring”, we consider that the control premium adopted by the Valuer in the determination of the Target Valuation is reasonable.

Furthermore, the Valuer applies a 15.8% marketability discount to the Target Valuation. The use of such marketability discount adopted by the Valuer for the purpose of valuing the Target Business is, in our view, reasonable, given (i) the Target Business is not being publicly tradable; (ii) the Valuer has made reference to the “Stout Restricted Stock Study” published by Business Valuation Resource, LLC in 2020, which indicated the discount for lack of marketability of approximately 15.8%; and (iii) our discussions with the Valuer as to the rationale for using such marketability discount.

(c) Valuer

In assessing the Valuer’s experiences in valuing businesses similar to the Target Business, we have obtained information on the Valuer’s track records on other valuations and noted that the Valuer had acted as the valuer for a wide range of public companies listed in Hong Kong for similar transactions. In addition, we understand that the signor of the Target Valuation report is a Chartered Financial Analyst and a Registered Valuer of the Royal Institute of Chartered Surveyors who possesses over 10 years of experience in the valuation of business and private entities across various sectors. As such, we are of the view that the Valuer is qualified, experienced and competent in performing business valuation in respect of the valuation of the Target Business.

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We have also enquired with the Valuer as to its independence from the Company and the parties to the Business Restructuring Agreement and were given to understand that the Valuer is an independent third party of the Company and its connected persons. The Valuer also confirmed to us that it was not aware of any relationship or interest between itself and the Company or any other parties that would reasonably be considered to affect its independence to act as an independent valuer for the Company. The Valuer confirmed to us that apart from normal professional fees payable to it in connection with its engagement for the valuation, no arrangements exist whereby it will receive any fee or benefit from the Company and its associates. Given the above, we are of the view that the Valuer is independent from the Company in respect of the valuation of the Target Business.

(ii) Evaluation of the Consideration

The consideration of approximately US\$100.4 million (equivalent to approximately HK\$782.7 million) is equivalent to the aggregate of (i) approximately US\$90.1 million (equivalent to approximately HK\$702.8 million), representing the consideration for the transfer of the Target Business excluding the Other Payables amounting to approximately US\$15.7 million as at 30 June 2021 (representing the amount of long term working capital funded by the Company to the Target Business and the balance of which fluctuates from time to time), which was determined based on the Target Valuation of US\$104.9 million (equivalent to approximately HK\$818.2 million), on the basis that the Other Payables amounting to approximately US\$15.7 million as at 30 June 2021 was excluded from the Target Valuation and that the Other Payables as at 31 October 2021 would be added back to form the Consideration; and (ii) the amount of long term working capital funded by the Company to the Target Business as at 31 October 2021 of approximately US\$10.3 million (equivalent to approximately HK\$79.9 million).

In view of (i) the benefits of the Restructuring including streamlining the business operation by transferring the Group's media planning and procurement business out of the Group, with a view to concentrating on its resource on developing the programmatic advertising technology business, as discussed in the sub-section above headed "1.4. Reasons for and benefits of the Restructuring"; (ii) the financial information of the Target Business has demonstrated a decreasing trend, with a decline of approximately 55.4% in revenue and approximately 55.1% in net profit after tax from 2019 to 2020, which indicates the Group's strategy to actively shrink the media planning and procurement business; (iii) the adoption of the average of the implied Adjusted P/E and implied Adjusted EV/EBITDA in the Target Valuation with appropriate adjustments made; and (iv) the consideration for the transfer of the Target Business excluding the Other Payables as at 30 June 2021, which was determined based on the Target Valuation on the basis that the Other Payables as at 30 June 2021 was excluded from the Target Valuation and that the Other Payables

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as at 31 October 2021 would be added back to form the Consideration, we consider the consideration of approximately US\$90.1 million (equivalent to approximately HK\$702.8 million) to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Regarding the settlement of the Other Payables of approximately US\$10.3 million (equivalent to approximately HK\$79.9 million), which forms part of the Consideration, it is essentially a refund to the Group in relation to its investment costs on the media planning and procurement business. We consider such payment term to be favorable to the Group, on the basis that (i) the Group is able to be compensated its investment cost on the media planning and procurement business with certainty in the form of consideration; and (ii) such consideration was settled on a dollar-for-dollar basis, which is based on the total investment costs incurred by the Group on the media planning and procurement business as at 31 October 2021.

In view of the above and taking into account the reasons for and benefits of the Restructuring as discussed in the sub-section above headed “1.4 Reasons and benefits for the Restructuring”, overall speaking, we are of the view that the principal terms of the Business Restructuring Agreement including the Consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Share price performance and comparison with the Transfer Price

4.1 Comparison of the Transfer Price

The Transfer Price of HK\$7.64 per Consideration Share was determined based on the average closing price per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day. The Transfer price also represents:

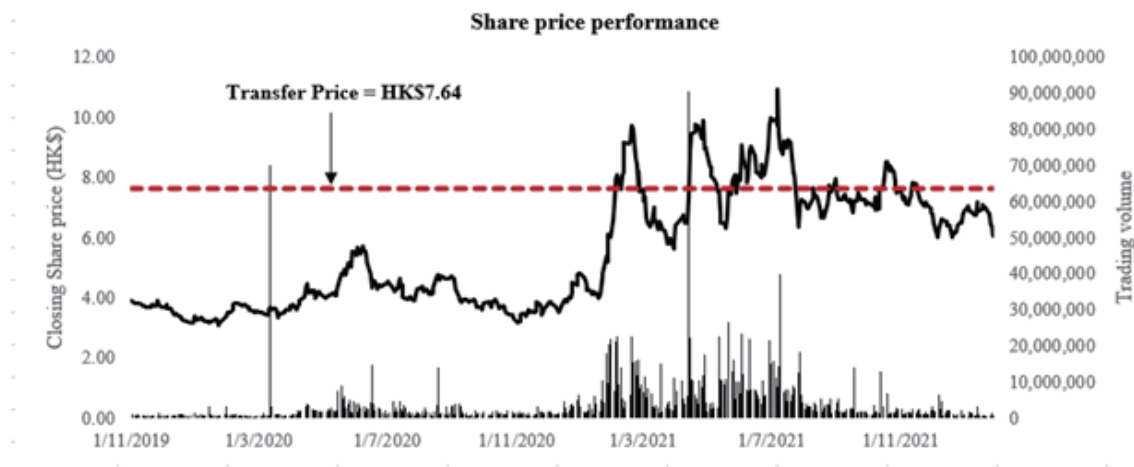
- (i) a discount of approximately 0.78% to the closing price of HK\$7.70 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 1.06% over the average closing price of HK\$7.56 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the Last Trading Day;
- (iii) a premium of approximately 3.16% over the average closing price of HK\$7.41 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to the Last Trading Day;

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- (iv) a premium of approximately 0.86% over the average closing price of HK\$7.58 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days prior to the Last Trading Day;
- (v) a premium of approximately 0.56% over the average closing price of HK\$7.60 per Share as quoted on the Stock Exchange for the last ninety (90) consecutive trading days prior to the Last Trading Day;
- (vi) a premium of approximately 474.44% over the unaudited net asset value of the Group of approximately HK\$1.33 per Share as at 30 June 2021; and
- (vii) a premium of approximately 26.28% over the closing price of HK\$6.05 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

4.2 Analysis of Share price performance

In assessing the fairness and reasonableness of the Transfer Price, as a general reference, we have performed a review on the daily closing prices of the Shares as quoted on the Stock Exchange from 1 November 2019 to the Last Trading Day (being approximately two years) (the “**Review Period**”) and up to the Latest Practicable Date and compared them with the Transfer Price. We consider the Review Period is adequate to reflect the prevailing market sentiment and illustrates the general trend and level of movement of the daily closing prices of the Shares.



During the Review Period, the average closing price of the Shares was approximately HK\$5.44 per Share (the “**Average Closing Price**”). The closing prices of the Shares ranged from HK\$3.10 per Share (the “**Lowest Closing Price**”) recorded on 23 January 2020 to HK\$10.92 per Share (the “**Highest Closing Price**”) recorded on 7 July 2021 during the Review Period.

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Since the beginning of the Review Period, the Share price had been generally in an upward trend from HK\$3.92 per Share on 1 November 2019 to HK\$9.70 per Share on 18 February 2021. As seen from the above Share price chart, from 1 November 2019 to 30 October 2020 (i.e. in the first half of the Review Period (the “**First Review Period**”), the Share price had been generally fluctuated in a range of HK\$3.10 per Share to HK\$5.70 per Share, and the average closing price of the Shares during the First Review Period was approximately HK\$3.96 per Share.

From 2 November 2020 onwards (i.e. in the second half of the Review Period (i.e. the “**Second Review Period**”), although the Share price hovered in a tight range of HK\$3.19 per Share on 2 November 2020 to HK\$4.00 per Share on 18 January 2021, the Share price began to take off since then, and rose till HK\$7.20 per Share on 2 February 2021. Afterwards, the closing prices of the Shares rose above the Transfer Price and remained fluctuated and moved between the range of HK\$5.62 per Share to HK\$9.91 per Share from 22 February 2021 to 29 April 2021, and then continued to hover around the Transfer Price and move up and down and generally moved upward to the Highest Closing Price of HK\$10.92 per Share on 7 July 2021. The Share price then exhibited a downward trend and fluctuated within a range of HK\$6.37 per Share and HK\$9.52 per Share between 8 July 2021 to the Last Trading Day. After the announcement of the Restructuring, the price of the Shares was HK\$7.35 per share on 18 November 2021 and generally fluctuated within a range of HK\$6.01 per Share and HK\$7.23 per Share between 19 November 2021 to the Latest Practicable Date. During the Second Review Period, the Company announced a few corporate activities, which include, among others, (i) the CB Issuance; (ii) the Placing; (iii) the launch of its cloud computing business brand in March 2021; and (iv) the acquisition of a third party big data service provider which provides customers with various advertising and user behavior analysis platforms in April 2021 (collectively the “**Corporate Activities**”). The average closing price of the Shares during the Second Review Period was HK\$6.84 per Share. As at the Latest Practicable Date, the Shares closed at HK\$6.05 per Share.

The Transfer Price of HK\$7.64 per Share represents (i) a premium of approximately 146.45% over the Lowest Closing Price of HK\$3.10 per Share; (ii) a discount of approximately 30.04% to the Highest Closing Price of HK\$10.92 per Share; and (iii) a premium of approximately 40.44% over the Average Closing Price of approximately HK\$5.44 per Share for the Review Period. The Shares were closed at or below the Transfer Price in 414 trading days (or approximately 82.1%) out of a total of 504 trading days during the Review Period.

Although (i) the Transfer Price represents premiums over (a) the 5, 10, 30 and 90 days averages and (b) the Share price as at the Latest Practicable Date and (ii) the Shares were closed below the Transfer Price under most of the time during the Review Period, the Transfer Price, in our view, should be determined based on the prevailing market prices of the Shares which have fully reflected the current market conditions. Given (i) the Transfer Price was determined based on the average closing price per Share as quoted on the Stock Exchange for the last five (5)

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consecutive trading days; (ii) the promising upcoming development of the Group in the recent year, as evidenced by a series of the Corporate Activities which generally raised the average share price from HK\$3.96 per Share during the First Review Period to HK\$6.84 per Share during the Second Review Period, should also be taken into account as a reference to the Transfer Price; (iii) the generally sluggish stock market performance in Hong Kong after the publication of the Announcement to the Latest Practicable Date (the “**Post Announcement Period**”), as evidenced by the drop of Hang Seng Index from the average of 25,155 points for the last five (5) consecutive trading days prior to the Last Trading Day, as compared to the average of 23,870 points and the lowest of 22,744 points on 20 December 2021 in the Post Announcement Period; and (iv) the reasons for and benefits of the Restructuring as discussed in the sub-section above headed “1.4 Reasons and benefits for the Restructuring”, we consider the Transfer Price to be reasonable.

5. Shareholding structure

The following table sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately after transfer of the Consideration Shares (assuming no further Shares are transferred between the Latest Practicable Date and the date of Completion):

	As at the Latest Practicable Date		Immediately upon transfer of the Consideration Shares	
	<i>Approximate % of entire issued share</i>		<i>Approximate % of entire issued share</i>	
	<i>No. of Shares</i>	<i>capital</i>	<i>No. of Shares</i>	<i>capital</i>
Mr. Duan, Seamless and other connected persons	1,142,172,292	68.97	1,082,172,292	65.49
Public Shareholders	513,890,872	31.03	570,326,872	34.51
Total	1,656,063,164	100.00	1,652,499,164	100.00

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Assuming there is no further transfer of Shares between the Latest Practicable Date and the date of transfer of the Consideration Shares, Independent Shareholders' holdings would be increased by approximately 3.48% upon Completion, from approximately 31.03% to approximately 34.51%. Following the Completion, the Consideration Shares will be added to the share pools under the RSU Schemes for attracting and retaining high quality talents in the future, which is beneficial to the Group's operation and development.

6. Financial effects of the Restructuring

Upon Completion, the Target Company will cease to be an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will cease to be consolidated into the consolidated financial statements of the Group.

As disclosed in the Letter from the Board, taking into account (i) the Consideration of approximately US\$100.4 million (equivalent to approximately HK\$782.7 million); and (ii) the unaudited net asset value of the Target Business of approximately US\$48.7 million (equivalent to approximately HK\$380.1 million) as at 30 June 2021, it is expected that an estimated gain before taxation in an amount of approximately US\$51.7 million (equivalent to approximately HK\$402.7 million) will be recognised in the consolidated income statement of the Group in respect of the Restructuring. Such gain is non-recurring in nature and will be reflected in the consolidated income statement of the Group for the year ending 31 December 2022 assuming Completion takes place in that financial year. The actual gain before taxation on the Restructuring to be recognised by the Group, which will be calculated by reference to the financial position of the Target Business at the time of Completion, may be different from the above figure.

OPINION AND RECOMMENDATION

In arriving at our opinion and recommendation in respect of the terms of the Business Restructuring Agreement and the Restructuring, we have considered the principal factors and reasons as discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- The Restructuring effectively allows the separation and independent management and operations for the Group's media planning and procurement business, in view of the difference in development and operational strategies with the Group's programmatic advertising technology business;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- The increasingly tightening requirements for data protections and privacy security governance is expected to bring uncertainty to the Group's media planning and procurement business;
- The Consideration Shares will be added to the share pools under the RSU Schemes for attracting and retaining high quality talents in the future, which is beneficial to the Group's operation and development;
- The entering into of the Business Restructuring Agreement and the Restructuring is in line with the business strategies of the Group for transformation to the building of an integrated SaaS tooling matrix ecosystem;
- The Consideration under the Business Restructuring Agreement is equivalent to the aggregate of (i) the consideration for the transfer of the Target Business excluding the Other Payables as at 30 June 2021, which was determined based on the Target Valuation on the basis that the Other Payables as at 30 June 2021 was excluded and that the Other Payables as at 31 October 2021 would be added back to form the Consideration; and (ii) the long term working capital funded by the Company to the Target Business as at 31 October 2021. Although the Transfer Price represents premiums over (i) the 5, 10, 30 and 90 days average Share price and (ii) the Share price as at the Latest Practicable Date, we consider the Transfer Price to be reasonable as mentioned in the sub-section above headed "4.2 Analysis of Share price performance"; and
- An estimated gain before taxation in an amount of approximately US\$51.7 million (equivalent to approximately HK\$402.7 million) will be recognised in the consolidated income statement of the Group in respect of the Restructuring, which indicates that the Restructuring does not have material adverse financial impact on the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the above, we are of the view that the terms of the Business Restructuring Agreement are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Business Restructuring Agreement, while not in the ordinary and usual course of business of the Group, is nevertheless in the interests of the Company and its shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Business Restructuring Agreement and the Restructuring.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS**Interests of Directors and chief executive in securities**

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules, were as follows:

(a) Interest in Shares

Name of Director	Nature of Interest	Number of ordinary share interested	Approximate percentage of the Company's issued share capital
Mr. DUAN ⁽¹⁾	Interest in controlled corporation	1,130,917,842 (L)	68.29%
	Beneficial owner	1,838,000 (L)	0.11%
Mr. CAO	Interest in controlled corporation	2,875,000 (L)	0.17%
Mr. FANG Zikai	Interest in controlled corporation	2,969,100 (L)	0.18%
	Beneficial owner	300,000 (L)	0.02%

Name of Director	Nature of Interest	Number of ordinary share interested	Approximate
			percentage of the Company's issued share capital
Mr. SONG Xiaofei ⁽²⁾	Interest in controlled corporation	2,192,400 (L)	0.13%

Note:

L: Long Position

- (1) Guangzhou Mobvista, through its wholly-owned subsidiary Seamless, holds 1,130,917,842 Shares of the Company, representing 68.29% of total number of Shares. Mr. Duan, Guangzhou Huimao, Horgos Duanshi Pearl River Equity Investment Co., Ltd. and Guangzhou Huihong directly holds 12.94%, 17.97%, 4.20% and 5.24% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao is Guangzhou Huisui, which is owned by Mr. Duan as to 95%. Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. The general partner of Guangzhou Huihong is Guangzhou Huimu, which is owned by Mr. Duan as to 70%. Guangzhou Huimu holds the entire voting and disposition power in Guangzhou Huihong. Therefore, Mr. Duan is deemed to be interested in Guangzhou Huimao's and Guangzhou Huihong's interest in Guangzhou Mobvista under the SFO. Horgos Duanshi Pearl River Equity Investment Co., Ltd. is wholly-owned by Mr. Duan; therefore, Mr. Duan is deemed to be interested in Horgos Duanshi Pearl River Equity Investment Co., Ltd.'s interest in Guangzhou Mobvista under the SFO. As a result, Mr. Duan is deemed to be interested in an aggregate of 40.35% interest in Guangzhou Mobvista, and thus is further deemed to be interested in the 1,130,917,842 Shares of the Company which Guangzhou Mobvista is interested in. Apart from that, Mr. Duan owns 1,838,000 Shares in the Company directly.
- (2) Out of the 2,192,400 Shares which Mr. Song Xiaofei is interested in, 250,000 Shares are underlying Shares in respect of 250,000 unvested RSUs granted to Mr. Song.

(b) Interest in associated corporation

Name of Director	Associated Corporation	Registered capital of the associated corporation	Nature of interests	Number of shares	Approximate
					percentage of shareholding in the associated corporation
Mr. DUAN ⁽¹⁾	Guangzhou Mobvista	RMB372,644,072	Beneficial owner	48,207,872 (L)	12.94%
		RMB372,644,072	Interest in controlled corporation	102,154,080 (L)	27.41%

Name of Director	Associated Corporation	Registered capital of the associated corporation	Nature of interests	Number of shares	Approximate percentage of shareholding in the associated corporation
Mr. CAO ⁽²⁾	Guangzhou Mobvista	RMB372,644,072	Beneficial owner	2,410,496 (L)	0.65%
		RMB372,644,072	Interest in controlled corporation	16,575,860 (L)	4.45%

Notes:

L: Long Position

- (1) Mr. Duan, Guangzhou Huimao, Horgos Duanshi Pearl River Equity Investment Co., Ltd. and Guangzhou Huihong directly holds 12.94%, 17.97%, 4.20% and 5.24% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao is Guangzhou Huisui, which is owned by Mr. Duan as to 95%. Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. The general partner of Guangzhou Huihong is Guangzhou Huimu, which is owned by Mr. Duan as to 70%. Guangzhou Huimu holds the entire voting and disposition power in Guangzhou Huihong. Therefore, Mr. Duan is deemed to be interested in Guangzhou Huimao's and Guangzhou Huihong's interest in Guangzhou Mobvista under the SFO. Horgos Duanshi Pearl River Equity Investment Co., Ltd. is wholly-owned by Mr. Duan; therefore, Mr. Duan is deemed to be interested in Horgos Duanshi Pearl River Equity Investment Co., Ltd.'s interest in Guangzhou Mobvista under the SFO.
- (2) Mr. Cao, Horgos Huichun Equity Investment Co., Ltd. and Guangzhou Huiqian directly holds 0.65%, 1.28% and 3.17% interest in Guangzhou Mobvista, respectively. Horgos Huichun Equity Investment Co., Ltd. is a company wholly-owned by Mr. Cao. The general partner of Guangzhou Huiqian is Mr. Cao, who held 1% interest in Guangzhou Huiqian. The limited partners of Guangzhou Huiqian are Mr. Xi Yuan, Mr. Fang, Mr. Wang Ping and Horgos Duanshi Pearl River Equity Investment Co., Ltd. (a company wholly-owned by Mr. Duan), holding 27.26%, 27.26%, 27.26% and 17.21% interest in Guangzhou Huiqian, respectively. Currently the general partner, namely Mr. Cao, holds the entire voting and disposition power in Guangzhou Huiqian.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS

Mobvista Technology, an indirect wholly-owned subsidiary of the Company, entered into renewed property lease agreements with each of Guangzhou Ruisou, Guangzhou Huichun, and Duanshi Investment, respectively (together the “**Renewed Property Lease Agreements**”), on 29 December 2020, for a term of three years from 1 January 2021 to 31 December 2023. Guangzhou Ruisou and Duanshi Investment are wholly-owned by Guangzhou Mobvista and Mr. Duan, respectively, while Guangzhou Huichun is indirectly wholly-owned by Mr. Cao.

Details of the Renewed Property Lease Agreements are set out below:

Landlord	Tenant	Location	Approximate gross floor area		Intended use	Duration of Agreement
			(sq.m.)	Approximate Monthly Rental (RMB)		
Guangzhou Ruisou	Mobvista Technology	Units 02-04 and 06-12 of 44/F, and	4,719	2021: RMB1,456,873.47	Office	Three years
		Units 01-04 and 06-12 of 43/F,		2022: RMB1,529,717.14		
		Tianying Plaza (East Tower),		2023: RMB1,606,203.00		
		No. 222-3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC				
Guangzhou Huichun	Mobvista Technology	Unit 05, 43/F, Tianying Plaza	310	2021: RMB95,814.65	Office	Three years
		(East Tower), No. 222-3,		2022: RMB100,605.38		
		Xingmin Road, Zhujiang		2023: RMB105,635.65		
		New Town, Tianhe District, Guangzhou, PRC				
Duanshi Investment	Mobvista Technology	Unit 05, 44/F, Tianying Plaza	310	2021: RMB95,636.03	Office	Three years
		(East Tower), No. 222-3,		2022: RMB100,417.83		
		Xingmin Road, Zhujiang		2023: RMB105,438.72		
		New Town, Tianhe District, Guangzhou, PRC				

Since 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up) up to the Latest Practicable Date, the actual rentals paid by the Mobvista Technology under the Renewed Property Lease Agreements amount to RMB19,436,047.41.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interest in any assets which have been, since 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors was materially interested and was significant in relation to the business of the Group.

5. QUALIFICATION AND CONSENT OF EXPERT

- (a) The following is the qualification of the experts who have given an opinion or advice which is contained in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	A licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Moore Transaction Services Limited	Professional valuer

- (b) As at the Latest Practicable Date, the above experts:
- did not have any shareholding directly or indirectly in any member of the Group;
 - did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
 - did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter/report and reference to its name and letter, where applicable, in the form and context in which it appears.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within a year without payment of any compensation (other than statutory compensation)).

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, the date to which the latest published audited accounts of the Group were made up.

8. MISCELLANEOUS

The English text of this circular and the enclosed form of proxy shall prevail over the Chinese text.

9. DOCUMENT ON DISPLAY

A copy of the Business Restructuring Agreement will be available on (i) the website of the Company (www.mobvista.com) and (ii) the website of the Stock Exchange (www.hkex.com) during the period of 14 days from the date of this circular.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix 1B to the Listing Rules so that certain information will be redacted from the version of the Business Restructuring Agreement to be published for online display. For details, please refer to the section headed “Waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix 1B to the Listing Rules” in the “Letter from the Board” of this circular.

The following is the text of a report prepared for the purpose of incorporation in this circular received from Moore Transaction Services Limited, an independent valuer, in connection with its valuation as at 30 June 2021 of the market value of the 100% equity interest in the media planning and procurement business segment of Mobvista Inc.



Moore Transaction Services Limited
812 Silvercord, Tower 1
30 Canton Road, Tsimshatsui
Kowloon, Hong Kong

31 January 2022

The Directors

Mobvista Inc.

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Dear Sirs,

Re: Valuation of the 100% equity interest in the media planning and procurement business segment of Mobvista Inc.

1. Executive Summary

1.1. Introduction

We have been engaged by Management to provide our opinion on the market value of the 100% equity interest in the Business Segment as at 30 June 2021 for the Company's corporate restructuring reference purposes.

1.2. Scope of Valuation

Our scope of services covers the Valuation and our valuation work was high-level and desktop-based and primarily based on the information provided by Management which is assumed to be true, faithful and complete.

1.3. Purpose of Valuation

The purpose of our Valuation is for your corporate restructuring reference purpose only. The Valuation and this report are not prepared for the use of any other purposes such as but not limited to accounting and/or fundraising.

1.4. Date of Valuation

The Valuation Date is 30 June 2021.

1.5. Scope of Work

As part of our tasks of completing the Valuation, we have carried out the followings:

- Discussion with Management in relation to the historical, current and future development, operations and other relevant information of the Business Segment;
- Review of relevant information and other relevant data concerning the Business Segment provided to us by Management;
- Performing market research and relevant statistical figures from public sources in relation to the valuation of the Business Segment; and
- Preparation of a valuation model to derive the value of the Business Segment and this Valuation Report.

On the other hand, our scope of work does not cover the followings:

- Comment on the definition, including the scope of the assets and liabilities, of the Business Segment which are defined by the Company and its accountant;
- Comment on the accounting treatment of any assets/liabilities being valued/reviewed, wherever and whenever relevant;
- Valuation of any specific intangible assets such as agreements, licenses, know-how, distribution channel, customer relationship, contracts, patents, etc.;
- Assessments of and comment on the operational, legal, regulatory, country and other risks that are associated with the existing and future operations of the Business Segment;

- Performance of any identifications or valuations on any off-balance sheets assets/liabilities of the Business Segment nor factor them in the Valuation;
- Performance of any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work which should be carried out by the relevant experts to be appointed by the Company, if necessary;
- Provision or review of, without limitation, professional advices other than valuation advices, such as advices on legal, regulatory, accounting or taxation matters;
- Visits to any locations of the Business Segment, the Company and/or any other related entities and inspections of any their assets and operations; and
- Valuation of any specific assets/liabilities or classes of assets/liabilities of the Business Segment, including but not limited to properties, plant & equipment, receivables & account payables, intangible assets such as contracts or patents etc.

1.6. COVID-19 and Its Impacts

On 31 December 2019, Wuhan Municipal Health Commission, PRC, reported a cluster of cases of pneumonia in Wuhan, Hubei Province. A novel coronavirus was eventually identified.

The first recorded Novel Coronavirus (COVID-19) case outside of PRC was confirmed in Thailand on 13 January 2020. Later on 22 January 2020, WHO mission to PRC issued a statement saying that there was evidence of human-to-human transmission in Wuhan but more investigation was needed to understand the full extent of transmission.

On 30 January 2020, the Emergency Committee reached consensus and advised the Director-General that the outbreak constituted a Public Health Emergency of International Concern (PHEIC).

Deeply concerned both by the alarming levels of spread and severity, and by the alarming levels of inaction, WHO made the assessment that COVID-19 can be characterized as a pandemic on 11 March 2020.

The global pandemic of the COVID-19 has impacted global financial markets. Travel restrictions have been implemented by many countries.

On the Valuation Date, i.e. 30 June 2021, we have assumed the development and impact of COVID-19 have already been reflected in relevant market data and Management's assumptions. However, due to the rarity and the unpredictability nature of COVID-19, its actual impact on the market and this valuation may differ from the market, management and our expectations.

The values reported herein might have changed materially over time and the assumptions adopted in the Valuation may become invalid. However, this is outside our scope of work to report any updated values, if any.

Given the unknown future impact that COVID-19 might have on the market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep this Valuation under frequent review.

2. Background

2.1 Background of the Company

The Company was incorporated in the Cayman Islands with limited liability. Its shares are listed on the Main Board of the Hong Kong Exchange with the stock code: 1860.HK.

It operates a technology platform which provides mobile advertising and mobile analytics services to app developers globally. It helps app developers better acquire users, monetize their apps, and understand their apps' performance and their users' behaviour on mobile advertising platforms and mobile analytics SaaS platforms.

The Company also provides performance advertising services across omnichannel, global mobile devices and traffic, and various ad formats by utilizing the cloud-based advertising technology platform. Such advertising technology business is mainly segmented into the Mintegral platform business and the Nativex platform business, respectively.

On the other hand, the Company charges customers subscription fees for their cloud computing SaaS platform or charges customers commission fees based on a transaction scale which is calculated as a percentage of the cost of using their cloud computing resources.

2.2 Background of the Business Segment

The comprehensive mobile advertising industry continues to transform from non-programmatic to programmatic. The trend of decentralization and fragmentation of the mobile internet ecosystem is becoming more and more apparent. Therefore, the Company's mobile advertising business is transforming towards a programmatic regime.

Per Management, the Business Segment has 84 staff which consists of 9 senior video designers, 15 video designers, 11 video optimizers and other office staff. The main offices are based in China, Singapore, Korea, Japan, America and Netherland. Its main clients include TikTok Pte Ltd, Lion Studio, LLC, Lightricks Ltd, etc. and its main suppliers include TikTok Pte Ltd, Papaya Group Co Limited, UPLTV Co Ltd, etc. According to Management, their main competitors include Adtiger Co Ltd, Gatherone Co Ltd, UniAgency Co Ltd, Madhouse Inc, Easy Click Worldwide Network Technology Co Ltd.

The Business Segment has strategic partnerships with a number of top media. The Company has four core strategic partners overseas: Facebook Inc, Alphabet Inc, Snap Inc and Tik Tok Pte Ltd and more than a dozen of other long-term cooperative media platforms such as Pinterest Inc and Line Inc. The Company has strategic partners such as Tencent Holdings Ltd and Beijing ByteDance Technology Co Ltd in China.

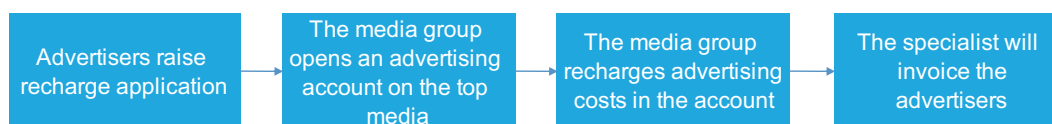
Revenue Stream

The Business Segment is primarily divided into the big media recharge and the big media agency business:

- The big media recharge business mainly provides advertisers with the account opening and recharge services on the top media such as Douyin and Baidu. These top media will rebate the Business Segment monetarily based on the actual consumption of advertising.

After the big media business department receives the advertiser's recharge application, the media group opens an advertising account on the top media designated by the advertiser and recharges the platform advertising costs in the account according to the advertiser's recharge requirements. Finally, the customer success specialist will invoice the advertiser, and the remaining cost of recharge can be refunded to the advertiser. A summary of the big media recharge business process is presented below:

Chart 2.2a: The big media recharge business process

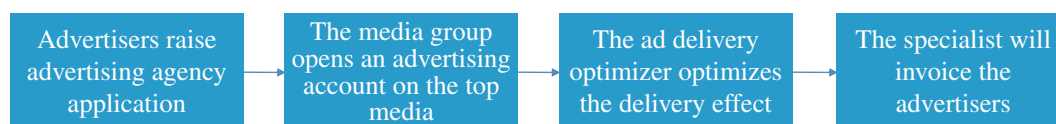


Source: Management

- The big media agency business mainly provides advertisers with the advertising service of the top media and optimizes the advertising effect for the advertisers in such media. The profitability derives from the service fee for the advertisers and rebate income for advertisers to open an account in the top media.

After the big media business department receives the advertiser's application for an advertising agency, the media group opens an advertising account on the top media designated by the advertiser. The ad delivery optimizer performs ad delivery on the top media and optimizes the delivery effect. Finally, the success specialist issues an invoice to the advertiser based on the actual consumption of the advertisement and the agency service fee for the advertisement. A summary of the big media agency business process is presented below:

Chart 2.2b: The big media agency business



Source: Management

2.3. Historical Financial Review

Management has appointed XinQin CPA to perform an audit in accordance to the China Registered Accountants Auditing Standards, Accounting Standards for Enterprises and Engagement Letter signed between Management and XinQin CPA to prepare the financials of the Business Segment for the Company's corporate restructuring purposes.

The key audited consolidated income statement and balance sheet items of the Business Segment during the historical periods are shown in the following table:

Financials (USD'000)	FY21A-H1	FY20A	FY19A	FY18A
Revenue	33,779	110,242	247,364	191,204
Gross Profit (Loss)	4,825	19,009	42,532	21,858
Profit Before Tax	1,362	10,384	23,110	12,390
Net Assets Value	48,727	47,365	36,981	13,871

Source: Management

Per Management, the Business Segment recorded revenue of USD33.8M in FY21A-H1, USD110.2M in FY20A, USD247.4M in FY19A and USD191.2M in FY18A, respectively.

The net assets values of the Business Segment were USD48.7M in FY21A-H1, USD47.4M in FY20A, USD37.0M in FY19A and USD13.9M in FY18A, respectively.

2.4. Major Risk Factors

According to Management, the Business Segment faces a number of potential risk factors, which include but not limited to the following major ones:

- Credit Risk: Probability of customers failing to pay the trade receivables on time;
- Market Risk: Changes in capital markets, legal or regulatory requirements and other factors that beyond the control of the Business Segment could reduce demand for the mobile advertising industry;
- Competition Risk: The increasing competition may lead to lower market share and profit margin of Business Segment; and
- Economic Risk: The uncertainty caused by novel coronavirus outbreak and delta variant may further affect PRC economy, which may have a negative impact on the business of Business Segment.

Management is aware of the risk factors above mentioned and will take actions including but not limited to asking the customers to pay the trade receivables and closely monitoring the macroeconomic environment.

3. Industry Overview

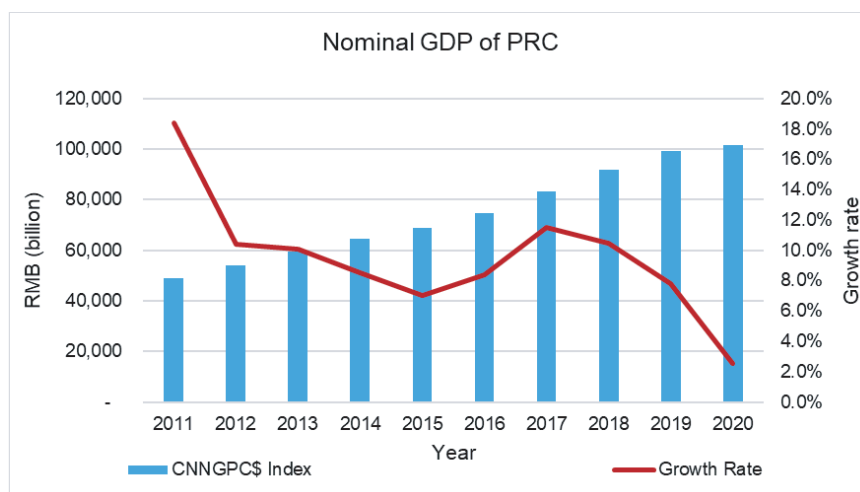
3.1. PRC Economy

Since the economic reform of incorporating capitalism within a command economy in the late 20th century, PRC experienced rapid economic growth and is currently the world's second-largest economy.

According to publicly available data, PRC's nominal GDP increased from RMB41.21T in 2010 to RMB101.60T in 2020, representing a CAGR of approximately 9.44% in last decade. Meanwhile, PRC's GDP per capita also grew steadily from RMB30,808 in 2010 to RMB72,000 in 2020, representing a CAGR of approximately 8.86%.

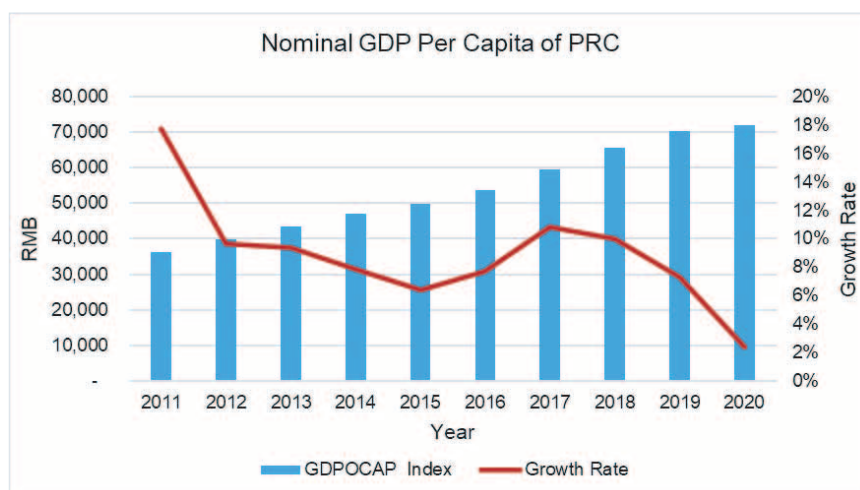
The historical trends of the nominal GDP and nominal GDP per capita are shown below:

Chart 3.1a: Nominal GDP of PRC



Source: Bloomberg, Moore's analysis

Chart 3.1b: Nominal GDP Per Capita of PRC



Source: Bloomberg, Moore's analysis

PRC economy underwent a challenging period between 2019 and 2020. With the ever-rising trade tensions between the U.S. and PRC, the COVID-19 pandemic had a significant negative impact on the already weakening global and local economy. Nevertheless, the economic situation in the PRC is expected to rebound in 2021 with countrywide vaccine coverage and the recovery of the global economy from the pandemic.

Ever since PRC government allowed foreign direct investments within its border, many foreign firms have entered the PRC market. Over the past few decades, they set up numerous factories and employed many domestic workers in the PRC. Currently, PRC is the largest recipient of foreign direct investment globally, receiving inflows of roughly USD149.37B in 2020.

In recent years, the impact of the demographic shift of the PRC is becoming more and more evident. The workforce is expected to drop by 35M over the next five years as demographic pressure grows. As a result, the potential economic growth of PRC is decelerating steadily from the peak, and such a trend is expected to continue soon.

On the other hand, PRC is the world's largest exporter and the second-largest importer of goods. However, in 2018, U.S. had imposed sweeping tariffs on PRC for its alleged unfair trade practices. In response, PRC has set tariffs on selective U.S. goods, and is threatening to restrict the operations of U.S. businesses in the PRC. As a result, both economies are expected to suffer from the impacts. Nonetheless, PRC plays a prominent role in international trade, with an export volume of USD2.59T and import volume of USD2.14T in 2020 according to a research result published by Statista:

Chart 3.1c: Leading export countries/locations in 2020



Source: Statista, Moore's analysis

To combat the recent economic slowdown resulting from the pandemic and ongoing trade war, PRC government has adopted economic reforms and made massive amounts of capital expenditures on infrastructures. According to publicly available sources, government expenditure increased from approximately RMB23.9T in 2019 to RMB24.6T in 2020. Going forward, PRC government remains confident that the local economy is resilient and will recover steadily.

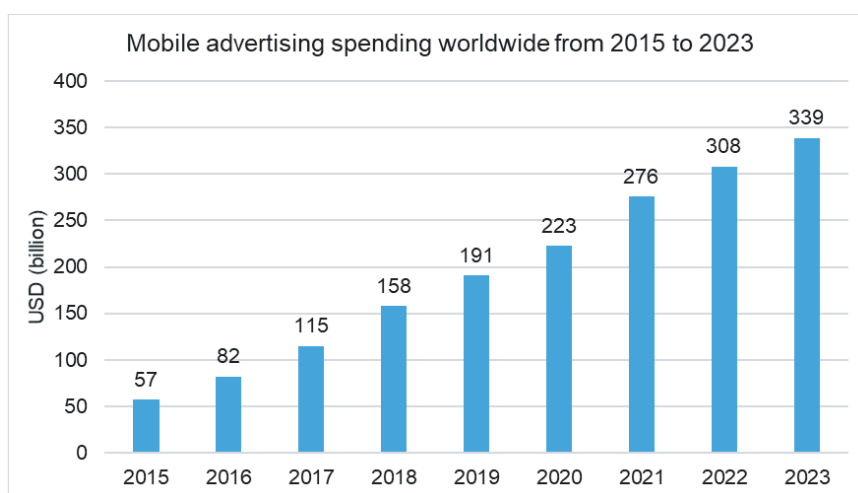
3.2. Mobile Advertising Industry

With increasing consumer spending on media and entertainment, many companies are increasing their investment in advertising their products and services through various popular or top media platforms. In recent years, a robust increase in the number of mobile devices, as well as the hours spent by consumers on their smartphones and tablets, have rendered mobile devices the fastest growing platform for advertising.

Mobile advertising means transferring digital advertising content to mobile device users. It is cost-effective and highly targeted towards a specific group of mobile users. Mobile advertisers have realized the opportunities to use the mobile channel to reach the mass audience or an individual virtually from anywhere and anytime. Now, advertisers have more knowledge about their clients than ever before, which increases the effectiveness of a marketing campaign. Further, it enables advertisers to personalize and customize advertising for mobile users.

According to Expert Market Research, the global mobile advertising market is expected to witness healthy growth in the forecast period of 2021-2026 and reach a value of approximately USD289 billion by 2026. Allied Market Research predicted that mobile advertising market size is expected to reach USD244 billion by 2022, supported by a CAGR of 15.8%. According to Statista, in 2020, mobile advertising spending worldwide amounted to USD223 billion, and it is expected to surpass USD339 billion by 2023. Mobile advertising has been rapidly growing in the past couple of years, but it is expected to slow down to about 10% by the end of 2023.

Chart 3.2a: Mobile advertising spending worldwide from 2015 to 2023



Source: Statista, Moore's Analysis

The tremendous growth is accredited to a number of factors.

Rapid advancements in mobile technology have brought many features to consumers in areas such as gaming, e-mailing, social networking, banking and other value-added services, which allow advertisers to gain better insights into consumer behaviour and their buying patterns. As a result, advertisers get unmatched access to their target audience.

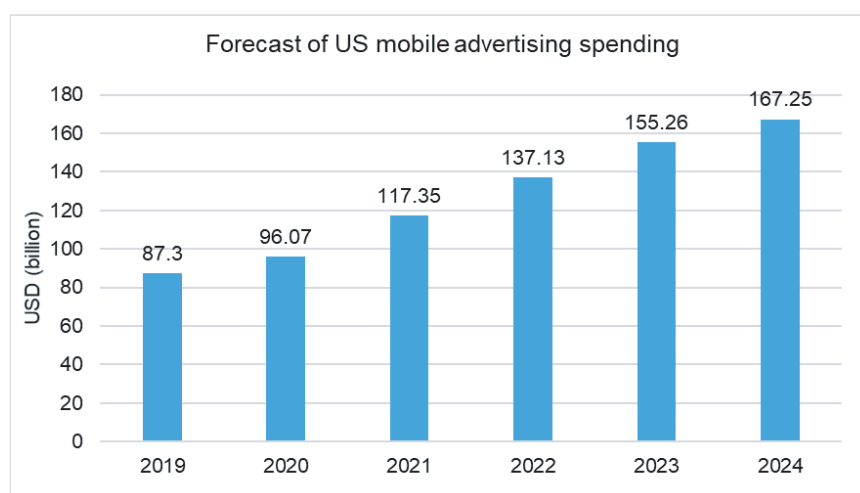
Additionally, an increase in the amount of time spent on mobile apps has facilitated the growth of in-app advertising, which is one of the key factors for the growth of the mobile advertising market.

Increasing mobile subscriber base, availability of cheaper smartphones and tablets, access to affordable data plans, rapid growth in 3G/4G subscriptions have further boosted the use of mobile devices for entertainment and information purposes. This has unearthed potential opportunities for advertisers to promote their products and services through mobile advertising.

Based on end-uses, the travel segment accounts for a significant share in the mobile advertising industry. This can be attributed to travel and tourism companies' growing adoption of mobile advertising channels to extend their customer reach. Moreover, these companies adopt various marketing strategies to promote different tourist destinations, with video advertisements emerging as one of the most prominent marketing strategies. This is a result of the emotional impact that these video advertisements have on the customers. Furthermore, the major players are increasing their expenditure on developing interactive content to create an urge among customers to visit these tourist destinations. In addition, these advertisements can provide information to the tourists about the places of interest near them, and, hence, can enhance their overall travel experience.

Region-wise, North America is expected to witness significant growth over the forecast period owing to the presence of key industry players in the region. Moreover, the increasing expenditure on digital marketing is likely to overtake the TV advertising spending in the region. This can be attributed to the region's large population of technologically proficient people. Furthermore, the intense competition among the major players in the gaming industry is anticipated to increase the prevalence of reward ads. These ads play an important role in increasing the customer's engagement with mobile games as they reward them for watching these ads by giving several benefits related to the game.

According to eMarketer, the coronavirus pandemic has dampened the growth in US mobile advertising spending. But due to increased mobile usage, it is expected that mobile advertising spending will hit USD167.25 billion by 2024, edging out our pre-pandemic figure of USD96.07 billion.

Chart 3.2b: Forecast of US mobile advertising spending

Source: eMarketer, Moore's Analysis

The global mobile advertising market is segmented into Asia Pacific, Europe, North America, the Middle East & Africa, and Latin America. North America is expected to account for the highest market share as they have a strong economy and access to advanced technology. The Asia Pacific is expected to account for a critical share of the market in the region by the end of the forecast period. This is due to the fact that the population density of this region is high, and it is the fastest-growing economy. Asia Pacific is the world's fastest-growing internet region, where mobile users on average watch more weekly online videos than in the US, Canada, or Europe. While Korea, Indonesia, and Singapore all take the lead in mobile engagement in Asian countries, India, in particular, is proving itself a robust emerging market, with a huge 425% growth in mobile advertising requests, according to eMarketer.

4. Basis and Methodology

4.1. Basis of Valuation

In valuing Business Segment, we have prepared our Valuation on the basis of "market value" as defined in International Valuation Standards 2020, i.e. *the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion*".

4.2. Valuation Standards

Our Valuation has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

4.3. Sources of Information

The primary sources of information that we have relied on in the preparation of this report, include:

- Audited financial statements of the Business Segment for FY21A-H1, FY20A, FY19A and FY18A prepared by XinQin CPA;
- Discussions with Management regarding the background and other relevant information of Business Segment; and
- Bloomberg and other public available sources of market data.

We have not attempted to verify any of the information provided to us or contained in this report. We also have no reasons to believe that any material fact has been withheld from us. Moreover, we do not warrant our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

We hereby reserve our rights to revise this Valuation Report, if required and appropriate, should there be any updated information or otherwise made available to us that we consider to be relevant to the Valuation.

4.4. Limiting Conditions and Assumptions

Our Valuation has been primarily based on the financial information of the Business Segment and other information provided by Management and a number of limiting conditions and assumptions, as set out in section 7.1. Limiting Conditions and 7.2. Assumptions. In the event any of the information, figures or accounts we have relied upon have been misstated or actual events do not accord with one or more of the assumptions, the resulting valuation of the Business Segment may vary substantially from the figures as set out in this report.

You are recommended not to rely on the Valuation unless you have read carefully and fully understood the limiting conditions and assumptions.

4.5. Valuation Approach

4.5.1. Generally Accepted Approaches

We have considered three generally accepted approaches, including the Income Approach, the Market Approach and the Cost Approach in the Valuation:

- **Income Approach:** The Income Approach measures the value of an asset by the present value of its future economic benefits. These benefits can include earnings, cost savings, tax deductions and proceeds from its disposition;
- **Market Approach:** The Market Approach is a valuation technique based on the principle of substitution. For the valuation of a company, public companies in the same general industry as the subject company are selected to provide valuation guidelines, i.e. valuation multiples for such guideline companies then are determined and analyzed;

On the other hand, valuation multiples implied from merger and acquisition transactions of private companies may also be considered; and

- **Cost Approach:** The Cost approach provides an indication of value based on the principle that the assets and liabilities as a whole represent the value of a company. The assumption is that when each of the elements of working capital, tangible and intangible assets, is individually valued, their sum represents the value of a company and equals the value of its invested capital.

Please note that these three valuation approaches are fundamentally different and may generate substantially different valuation results.

4.5.2. Selected Approach

Among the abovementioned valuation approaches, the selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the valuation and professional judgment and technical expertise.

The Income Approach was not adopted in valuing the Business Segment as it heavily relies on subjective assumptions adopted in the long-term financial projections of the Business Segment. The market value is highly sensitive to the inputs in the financial projections which could result in a significant impact on the market value.

The Cost Approach was not adopted in valuing the Business Segment as it does not consider the future economic benefits generated from the operation of the Business Segment's business. The Cost Approach is inadequate in reflecting the value of its equity interests deriving from its ongoing business and any potential growing prospect.

The Market Approach reflects the value obtained from a consensus of market participants over the corresponding industry. It is generally agreed that such an approach involves less subjective assumptions and judgements in a valuation as this is principally based on comparison. Thus, the Market Approach has been adopted in the Valuation.

4.5.3. Guideline Companies

Under the Market Approach, we adopted the Guideline Company Method in the Valuation and selected publicly listed companies that are considered to be comparable to the Business Segment for valuation purposes, i.e. Guideline Companies.

The selection of the Guideline Companies was based on the comparability of the overall industry sector and geographical location. Although no two companies are ever exactly alike, behind the differences, there are certain business universals such as required capital investment and overall perceived risks and uncertainties in the expected returns for companies with certain similar attributes.

In the Valuation, we have followed the below major principles when searching for Guideline Companies:

- The Guideline Companies provide similar mobile advertising services, including advertising agency related services, per our understanding of their company businesses provided by various public sources and their own websites and annual reports. Such business activities are the principal or one of the principal business activities of these companies;
- The principal business of the Guideline Companies is domiciled mainly in China;
- The Guideline Companies recorded positive earnings in their LTM period; and
- The Guideline Companies' shares were actively traded in the market and have sufficient relevant financial information which is publicly available.

Details of these Guideline Companies are summarized as below:

Stock Code	Company Name	Company Description
9911 HK	NEWBORN TOWN INC.	Newborn Town Inc. operates mobile application development businesses. The Company produces Solo X product matrixs, Solo Math programmatic advertising platforms, Solo Aware artificial intelligence engines, and other products. Newborn Town provides its services throughout China.
6988 HK	JOY SPREADER GROUP INC.	Joy Spreader Group Inc. operates as a media marketing service provider. The Company provides performance-based marketing services. Joy Spreader Group operates principally in China.
1753 HK	DUIBA GROUP LIMITED	Duiba Group Limited operates as an advertising platform operator. The Company provides big data analysis, platform user operations management, mobile advertising, and other services. Duiba Group offers services in China.
2131 HK	NETJOY HOLDINGS LIMITED	Netjoy Holdings Limited offers advertising and marketing services. The Company provides big data empowered short video marketing solutions development, online entertainment content production, online marketing, and other services. Netjoy Holdings provides its services throughout China.

Source: Bloomberg

We considered that the selected Guideline Companies comprise an exhaustive list based on the selection criteria and our understanding of the Business Segment and the Guideline Companies.

4.5.4. Valuation Multiples

In the course of our valuation, we have considered some commonly adopted valuation multiples such as the price-to-earnings (“**P/E**”), price-to-book (“**P/B**”), enterprise value-to-revenue (“**EV/Revenue**”) and enterprise value-to-EBITDA (“**EV/EBITDA**”).

The P/B multiple has not been adopted in this valuation because the “B”, i.e. book value, is incapable of reflecting the values of intangible economic assets such as goodwill, know-hows and the prospect of the business. Such multiple is widely applied in the financial industry like banks but we are of the view that this is not applicable in the Valuation of the Business Segment which is primarily a mobile advertising service company.

The EV/Revenue multiple does not capture the differences in the cost structures across companies and hence the company’s profitability, which is critical in reflecting the market value of the equity interests. Such multiple was not suitable in the Valuation.

The P/E multiple is a widely recognized and commonly used valuation multiple, in particular for the valuation of companies that are profit-making with predictable earnings levels. Therefore the P/E multiple is adopted in the Valuation.

The EV/EBITDA multiple is a widely recognized and commonly used valuation multiple, EV calculates a company’s total value, while EBITDA measures a company’s overall financial performance and profitability and does not take financial gearing, tax impact, depreciation and amortization into account. Therefore the EV/EBITDA multiple is adopted in the Valuation.

The unadjusted P/E multiples of the Guideline Companies are shown below:

Ticker	Unadjusted P/E Multiple
9911 HK Equity	22.65
1753 HK Equity	43.17
2131 HK Equity	29.25
6988 HK Equity	34.42
Average	32.37

Source: Bloomberg and Moore’s analysis

The unadjusted EV/EBITDA multiples of the Guideline Companies are shown below:

Ticker	Unadjusted EV/EBITDA Multiple
9911 HK Equity	17.27
1753 HK Equity	35.49
2131 HK Equity	29.09
6988 HK Equity	25.46
Average	26.83

Source: Bloomberg and Moore's analysis

4.5.5. Size Adjustments on Valuation Multiples

Historical returns on marketable securities indicate that small companies are riskier than larger companies. The multiple used in the guideline public company method is an inverse of a capitalization rate. A higher capitalization rate represents higher risk and consequently a lower multiple. Using multiples of guideline public companies might lead to the overstatement of a subject company's value. Adjustments might be made for such size differences. In the Valuation, the valuation multiples are adjusted with reference to "Adjusting Guideline Multiples for Size" by Mattson, Shannon and Drysdale published in September/October 2001 Valuation Strategies, which is a methodology accepted and applied in valuation profession.

The following formula is adopted in deriving the size adjustment:

$$\text{Adjusted Multiple} = \frac{1}{\frac{1}{\text{Multiple}} + \alpha \varepsilon \theta}$$

Where:

- θ is the size differential of which the underlying size premium data are taken with reference to Center for Research in Security Prices ("CRSP") Deciles Size Premia as of 31 December 2020, by Duff and Phelps — Cost of Capital Navigator;
- α is an adjustment made to θ when using a multiple other than one based on net income or net operating profit after tax, being the ratio of the measure to net income or net operating profit after tax; and

- ε is an adjustment made to θ when there is debt in capital structure and a pricing multiple based on the market value of invested capital is being used, being the ratio of market value to the market capitalization of invested capital.

The size-adjusted EV/EBITDA and P/E multiples of the Guideline Companies are shown below:

Ticker	Adjusted EV/EBITDA	Adjusted P/E Multiple
9911 HK Equity	9.57	12.56
1753 HK Equity	16.32	19.86
2131 HK Equity	14.27	14.35
6988 HK Equity	11.46	15.49
Average	12.91	15.56

4.5.6. DLOM

The discount for lack of marketability is a downward adjustment to the value of an investment to reflect its reduced level of marketability. The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell.

DLOM reflects that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The value of non-marketable interest can be calculated from marketable interest using the following formula:

$$\text{Market Value of Non-Marketable Interest} = \text{Market Value of Marketable Interest} \times (1 - \text{DLOM})$$

According to the Stout Restricted Stock Study published by Business Valuation Resources, LLC in 2020, DLOM is estimated as the percentage difference between the private placement price per share and the market trading price per share. 759 relevant private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through September 2017 have been examined in the Stout Restricted Stock Study. Premium in the market for restricted stock, which is considered as the result of an investment opportunity not available to other investors or an unidentifiable relationship with the seller has been excluded. The Stout Restricted Stock Study analyses the transaction database and provides mean and median discount

rates. Since the median rate is not affected by abnormal extreme high and low values, we adopted the median discount rate of 15.80% calculated from the 759 transactions from the Stout Restricted Stock Study as DLOM for the valuation.

4.5.7. Control Premium

Control premium is the amount that a buyer is willing to pay over the minority equity value of the company in order to acquire a controlling interest in that company.

The valuation multiples adopted in the Valuation were calculated from publicly listed companies, which represents minority ownership interest. The value of controlling interest can be calculated from non-controlling interest using the following formula:

$$\text{Market Value of Controlling Interest} = \text{Market Value of Non-controlling Interest} \times (1 + \text{Control Premium})$$

In forming our conclusion on control premium, we have made reference to the FactSet Mergerstat/BVR Control Premium Study (2nd Quarter 2021) (“**Mergerstat Study**”) and the “*The Control Premium: A Preference for Payoff Autonomy*” issued by David Owens, Zachary Grossman & Ryan Fackler on American Economic Journal in 2014. The control premium during the 12-month period before the Valuation Date indicated by the Mergerstat Study falls into a range of 27.2% (median) to 42.4% (average) contrasting the 11.5% (average) as indicated by David Owens, Zachary Grossman & Ryan Fackler in 2014.

Per the Mergerstat Study, the range of control premium ranged from -99.1% to 1,123.2% for the past 12 months before the Valuation Date for the U.S. and international transactions they investigated, which implies there is not a single indisputable range or figure that a valuer can directly adopt.

A control premium should be analyzed on a case-by-case basis and it is the responsibility of a valuer to professionally judge and adopt an appropriate figure for a particular valuation. Special cautions have to be taken when interpreting statistical figures from different studies and adopting such figures blindly should be avoided. Such an assessment could be both qualitative or quantitative, or both.

According to the Mergerstat Study, the factors that affect the magnitude of a control premium include:

1. *“The nature and magnitude of nonoperating assets;*
2. *The nature and magnitude of discretionary expenses;*
3. *The perceived quality of existing management;*
4. *The nature and magnitude of business opportunities that are not currently being exploited; and*
5. *The ability to integrate the acquiree into the acquirer’s business or distribution channels.”*

We consider the downward trend of the financial performance of the Business Segment may be explained by points 3 and 4 above. Also, we believe management’s proactiveness is important in driving the development and profitability of a business by exploring and exploiting different business opportunities. Per Management, they have actively shrunken and scaled down the Business Segment since year 2019 and the profit before tax of the Business Segment dropped from USD23.1mil in FY19A down to USD10.4mil in FY20A and further down to USD1.4mil in FY21A-H1. We are of the view that rational investors would have less confidence in companies which are not active in seeking business opportunities and thus are less willing to pay a premium when valuing and acquiring such companies.

On the other hand, we have performed a search for recent and similar mergers and acquisitions (“M&A”) which had been announced during the 12-month period before the Valuation Date on the paid version of Crunchbase with an aim to identify similar transactions that we might be able to refer to in the Valuation so as to qualitatively assess the M&A market sentiment. To do so, we have adopted the following search criteria on Cruchbase:

1. Acquiree Industries: Mobile Advertising, Social Media Management, Social Media Advertising or Creative Agency
2. Announced Date: Between 1 July 2020 and 30 June 2021
3. Acquiree’s Estimated Revenue: USD10mil to USD1bil

The following table shows the results of our search:

Acquiree Name	Acquirer Name	Acquiree Description	Announced Date	Price (USD)
MomentFeed	uberall	MomentFeed is a platform that helps multi-location brands optimize for proximity search in order to connect customers with brands.	15 June 2021	60,000,000
Relatable	Bambuser	Relatable is a tech-powered influencer marketing agency with offices in Stockholm.	16 May 2021	24,000,000
Aarki	Skillz	Aarki helps companies grow and re-engage their mobile app customers, using data, machine learning, and large customer reach.	2 June 2021	150,000,000
Linkfluence	Meltwater	Linkfluence is a media intelligence company that analyzes conversations on social networks to create business opportunities for brands.	16 March 2021	59,507,020
Thunder	Walmart	Thunder is the programmatic creative company that scales creatives across devices, formats, and volume.	4 February 2021	N/A
Smart AdServer	Capital Croissance	Smart AdServer is an ad monetization platform built for premium publishers to serve demanding buyers.	28 January 2021	N/A

Acquiree Name	Acquirer Name	Acquiree Description	Announced Date	Price (USD)
NinthDecimal	InMarket	NinthDecimal is the marketing platform powered by location data that build a precise understanding of consumers physical world behavior.	9 September 2020	N/A
Socialbakers	Astute Solutions	Socialbakers is the leading AI-powered social media marketing platform.	9 September 2020	N/A

Source: *Crunchbase*

There are only 8 transactions in total and 4 transactions with transaction prices available among them. For these transactions, we have visited the websites of the respective acquirees to understand the services they provide. Based on such public information and our understanding of the Business Segment, we are of the view that there are discrepancies between the services these acquirees provide and that of the Business Segment and we deem their businesses not similar. We are hence unable to identify similar transactions involving similar acquirees for our reference and we conclude that the M&A activities related to the industry of the Business Segment not active.

Also, the Control Premium Study 2017 indicated that fear and optimism will affect the risk appetite of investors and hence the magnitude of the control premium implied in a M&A transaction. We concur with such a view and believe robust M&A activities in the industry should represent more potential market participants that might contemplate acquiring a controlling interest in the Business Segment and in turn translate to a higher control premium and vice versa.

Considering the purpose of this valuation exercise is for business restructuring, the financial performance of the Business Segment is on a downward trend (see Section 2.3) and the M&A market sentiment, we opine that a lower control premium should be warranted. Hence, we have adopted a control premium of 11.5% in the Valuation.

4.5.8. Valuation Summary

The overall valuation of the Business Segment using the Valuation Multiples is presented below:

Items (USD'000)	EV/EBITDA	P/E
Valuation Multiples	12.91	15.56
EBITDA (for EV/EBITDA) ¹	9,087	6,818
Net Earnings (for P/E) ¹		
Enterprise Value (for EV/EBITDA)	117,316	106,094
Equity Value (for P/E)		
<i>Adjustments:</i>		
Add/Less: Excess Cash/Interest-bearing Debt	0	N/A
100% Equity Value	117,316	106,094
Add: Control Premium	11.50%	11.50%
Less: DLOM	15.80%	15.80%
100% Equity Value after Control Premium and DLOM	110,140	99,605
Weighting	50.00%	50.00%
Indicative 100% Equity Value	104,872	
Indicative 100% Equity Value (Rounded)	104,900	

Remarks: 1. The financial figures are LTM, i.e. the 12-month period before the Valuation Date, figures derived by Moore.

Source: Moore's analysis

4.5.9. Scenario Analysis

For the purpose of the business restructuring and for the Company's reference, we have separately performed a scenario analysis as of the Valuation Date. Under such scenario, the Other Payables is deducted from the results derived from the results of the Market Approach using the P/E and EV/EBITDA multiples respectively since we understand that:

- (1) The Other Payables represents the amount of long term working capital funded by the Company to the Business Segment and such balance fluctuates from time to time;
- (2) Management will separately negotiate with the potential purchaser of the Business Segment on the amount of the other payables that need to be added back to the results of the Valuation in order to derive a final consideration for the purpose of the business restructuring.

The valuation of the Business Segment (excluding Other Payables) is presented below:

Items (USD'000)	EV/EBITDA	P/E
Valuation Multiples	12.91	15.56
EBITDA (for EV/EBITDA) ¹	9,087	6,818
Net Earnings (for P/E) ¹		
Enterprise Value (for EV/EBITDA)	117,316	106,094
Equity Value (for P/E)		
<i>Adjustments:</i>		
Add/Less: Excess Cash/Interest-bearing Debt	0	N/A
Less: Other Payables	15,686	15,686
100% Equity Value (excluding Other Payables)	101,630	90,409
Add: Control Premium	11.50%	11.50%
Less: DLOM	15.80%	15.80%
100% Equity Value (excluding Other Payables) after Control Premium and DLOM	95,413	84,878
Weighting	50.00%	50.00%
Indicative 100% Equity Value (excluding Other Payables)	90,146	
Indicative 100% Equity Value (excluding Other Payables and rounded)	90,100	

Remarks: 1. The financial figures are LTM figures derived by Moore.

Source: Moore's analysis

4.5.10 Sensitivity Analysis — Control Premium

As discussed in Section 4.5.7, in the selection of an appropriate control premium for the Valuation, we have also considered the median and average control premium figures derived in the Mergerstat Study. Despite the figures not been adopted, we have performed a sensitivity analysis accordingly, as shown below.

Control Premium	Indicative 100% Equity Value of the Business Segment (USD'000)	Indicative 100% Equity Value of the Business Segment, excluding Other Payables (USD'000)	Remarks
11.50%	104,900	90,100	Current valuation
27.20%	119,600	102,800	Using the median control premium figure from the Mergerstat Study
42.40%	133,900	115,100	Using the average control premium figure from the Mergerstat Study

Although the Mergerstat Study is a more recent publication, it should be noted that the Mergerstat Study is a historical study based on actual transactions and it did not attempt to separately account for case-specific factors such as the individual financial performance of the acquirees in the transactions involved. For a total of 483 transactions investigated by the Mergerstat Study, the control premium ranges from -99.1% to 1,132.2% and there is not a single indisputable range that a valuer should adopt a control premium without his or her professional judgement. On a case-specific basis and based on the rationales we stated in Section 4.5.7, we are of the view that it is not appropriate to adopt these median and average figures and the corresponding valuation results in the Valuation.

5. Opinion of Value

Based on our analysis above, our opinion on the market value of the 100% equity interest in the media planning and procurement business segment, i.e. the Business Segment, of Mobvista Inc. as at 30 June 2021 (the “**Valuation Date**”), was reasonably stated as USD104,900,000 (**UNITED STATES DOLLARS ONE HUNDRED FOUR MILLION NINE HUNDRED THOUSAND ONLY**).

REMARKS

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it will appear.

Finally, and in accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of its contents.

We hereby certify that we neither have any present nor any prospective interest in the Company, the Business Segment and its subsidiaries and associated companies, or the value reported herein.

Unless otherwise stated, all monetary amounts stated in this valuation report are in United States Dollars (USD).

Yours faithfully,
For and on behalf of
Moore Transaction Services Limited
Kenneth Ma
Director
MRICS CFA CAIA

Note: Mr. Kenneth Ma is a Registered Valuer member of the Royal Institute of Chartered Surveyors who has over 5 years’ experience in valuations of real estate properties and over 10 years’ experience in business valuations in Hong Kong and PRC.

6. Glossary of Terms

Term	Meaning
Allied Market Research	Allied Market Research, a market research and advisory company of Allied Analytics LLP providing business insights and market research reports
Bloomberg	The information and data provided by Bloomberg L.P., a commercial source of providing market and financial information and data
Business Segment	The media planning and procurement business segment of Mobvista Inc. Details are discussed in section 2.2
CAGR	Compound annual growth rate
Company, you, yours	Mobvista Inc. a company listed on the Main Board of the Hong Kong Stock Exchange with stock code: 1860.HK
Control Premium Study 2017	The Control Premium Study 2017 published by the RSM International Association
Crunchbase	Crunchbase Inc. is a leading provider of business information about private and public companies
DLOM	Discounts for lack of marketability
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
eMarketer	eMarketer, a subscription-based market research company providing insights and trends related to digital marketing, media, and commerce
Expert Market Research	Expert Market Research, a market research company offering market research reports and custom research services across various industry sectors

Term	Meaning
FYXXA	Audited financial statements for the year-ended 31 December 20XX
FYXX-H1	Audited financial statements for the period from 1 January 20XX to 30 June 20XX
GDP	Gross Domestic Product
Guideline Companies	Publicly listed companies that are considered by us to be comparable to the Business Segment for valuation purposes. For details, please refer to section 4.5.3
K, '000	Thousand
LTM	Last twelve months
M, mil	Million
Management	Management of the Company and/or their representatives
Moore, we, our, us	Moore Transaction Services Limited
Other Payables	Other payables of the Business Segment which amount to USD15,686,000 as of 30 June 2021 as reported by XinQin CPA
PRC	The People's Republic of China
SaaS	Software as a service
Statista	Statista, a German company specializing in market and consumer data
USD	United States Dollar, the official currency of the U.S.

Term	Meaning
Valuation	A high-level and desktop-based valuation of the market value of the Business Segment as at the Valuation Date as presented in this Valuation Report
Valuation Date, Date of Valuation	30 June 2021
Valuation Report	This valuation report
XinQin CPA	Guangzhou XinQin Certified Public Accountant (General Partnership) a PRC-based accounting firm
YOY	Year-over-year

7. Appendices

7.1. Limiting Conditions

The limiting conditions pertaining to the valuation conclusions stated in this Valuation Report are summarized below:

- To the best of our knowledge, all data and statements of facts set forth in this report, upon which the data, opinions, analysis, estimates and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in this Valuation Report or utilized in the formation of the value conclusions were obtained from sources considered reliable and believed to be true and correct.

We have also considered published market data and other public information, where appropriate. Such information was obtained from public available sources such as publicly available industry reports and websites.

However, we did not independently verify the abovementioned information and no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and we reserve the right to alter the Valuation, if any inaccurate information may have been provided to us.

- We have relied on information and estimates provided by Management to a considerable extent in arriving at our opinion of value. This includes but not limited to the business affairs as well as the outlook for the business.

We have not conducted any further investigations concerning whether all data have been provided to us for our assessment and we have no reason to believe that any material data have been withheld from us.

The procedures and enquiries undertaken by us in preparing this report do not include any verification work of the information provided by Management, the Business Segment and their associates, nor do they constitute an examination made in accordance with generally accepted auditing standards. As such, we do not express an opinion or offer any forms of assurance regarding the accuracy, reasonableness, completeness or reliability of these information we are based.

- The Valuation was prepared solely for the purpose, function and party identified in this report. This report may not be reproduced, in whole or in part, and the findings of this Valuation Report may not be utilized by any third party for any purpose, with our express written consent. We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown.

Neither all nor any part of the contents of this Valuation Report shall be disseminated or referred to the public through advertising, public relations, news or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings, without the prior written consent and approval of and review by us.

- Good and marketable title to the business interests and assets being appraised is assumed. We are not qualified to render an “opinion of title,” and no responsibility is assumed or accepted for matters of a legal nature affecting the business being appraised. We render no opinion as to ownership of the business or condition of its title.
- The Valuation reflects facts, conditions and expectations existing at the Valuation Date. We take no responsibilities for any events, conditions or circumstances affecting our opinion of value that take place subsequent to the Valuation Date.
- The results of our work are dependent on the information of the Business Segment. However, because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibilities for the achievement of predicted results.

- Our conclusion of the value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.
- For the information provided and the consolidation adjustments performed by Management, we did not perform any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work. Such areas are not included in our scope of work, and should be carried out by the relevant experts to be appointed by the Company, if necessary.
- By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. Hence, there is no single indisputable range and generally we cannot provide absolute assurance on a valuation.
- The title of this report shall not pass to the Company until all professional fees have been paid in full.

7.2. Assumptions

In conducting our valuation work, the following assumptions have been adopted in order to sufficiently support our conclusion of value, including, but not limited to:

- The businesses of the Business Segment are operated by various subsidiaries and/or related companies of the Company. The Valuation has been performed based on the financial statements prepared by XinQin CPA on an agreed-upon procedure, assuming there is a single fictitious entity running the relevant businesses and possessing the relevant assets and liabilities.
- The principal businesses of the Business Segment will not change significantly in the foreseeable future.
- There will be no major change in the political, legal, fiscal, technological, economic and market conditions in the localities in which the Business Segment operates or intends to operate, which would adversely affect the revenues attributable to and profitability of Business Segment.

- There will be no major change in the current taxation laws in the localities in which the Business Segment operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with.
- There will be no material change in the relevant market return, market risk, interest rates and exchange rates that would impact the Business Segment's business operation.
- The market data, industrial information and statistical figures obtained from publicly available sources are true and accurate.
- The Business Segment has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits, business certificates, licenses and legal approvals to operate the business in the localities in which the Business Segment operates or intends to operate would be officially obtained and renewable upon expiry.
- The Business Segment will continue to operate as a going concern and the core operation of the Business Segment will not differ materially from those of present or expected.
- The information and estimates provided and the representations made by Management regarding the Business Segment's financial and business affairs are accurate and reliable.
- There are neither undisclosed assets/liabilities or unusual obligations/substantial commitments, other than normal business courses as reflected in financial statements of the Business Segment, nor any litigation issues pending or threatened as of the Valuation Date, would have significant impact on the value of the Business Segment.
- The Business Segment has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time.
- Management has sufficient knowledge and experience in respect of the operation of the Business Segment, and the turnover of any director, management or key person will not affect the operation of the Business Segment.

- Management of the Business Segment has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Business Segment.
- Management of the Business Segment has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Business Segment.
- The intellectual property of the Business Segment will not be infringed upon in a manner which would materially affect the economic benefits attributable to the Business Segment.
- The Valuation is heavily dependent on the financial information of the Business Segment provided by Management to us. In any occasions that the values were misstated, the adjustments on the income statements and/or balance sheets were unfairly and/or unreasonable performed by Management and/or its auditor or any off balance sheet assets or liabilities items of the Business Segment were neglected, the value stated here may vary materially from what stated in this report.
- We assume you will appoint relevant experts to perform appropriate legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work, which is outside our scope of work.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Mobvista

Mobvista Inc.

匯量科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1860)

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING (THE “MEETING”)

Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the Meeting against the epidemic to protect the Shareholders from the risk of infection:

- (i) Every Shareholder or proxy should be subject to compulsory body temperature check at the entrance of the venue and be held accountable for the information they filled in health declarations;
- (ii) Every Shareholder or proxy is required to wear surgical facial mask throughout the Meeting; and
- (iii) No distribution of corporate gifts and refreshments.

Any person who does not comply with the precautionary measures may be denied entry into the Meeting venue. Shareholders are reminded that they may appoint the chairman of the Meeting as their proxy to vote on the relevant resolutions at the Meeting as an alternative to attending the Meeting in person.

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of Mobvista Inc. (the “**Company**”) will be held at Guangzhou room, 44/F Tianying Plaza (East Tower), No. 222-3 Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC on 22 February 2022 at 10:00 a.m. for considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 31 January 2022.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTIONS

1. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That:

- (A) with immediate effect the replacement to the entirety of rule 13 (Maximum Number of RSUs) of the rules of the Employee RSU Scheme as follows be and is hereby approved and adopted:

“13.1 The maximum number of RSUs that may be granted under this Employee RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of this Employee RSU Scheme) shall represent 139,249,858 Shares, subject to adjustment pursuant to any further capitalization issue, rights issue, consolidation, subdivision or reduction of share capital of the Company.”; and

- (B) with immediate effect any one of the Directors be and is hereby authorised to do all acts and things as may be necessary, desirable or expedient in order to give full effect to such amendments as contemplated in resolution 1(A).”

2. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That:

- (A) with immediate effect the replacement to the entirety of rule 13 (Maximum Number of RSUs) of the rules of the Management RSU Scheme as follows be and is hereby approved and adopted:

“13.1 The maximum number of RSUs that may be granted under this Senior Management RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of this Senior Management RSU Scheme) shall represent 58,203,913 Shares, subject to adjustment pursuant to any further capitalization issue, rights issue, consolidation, subdivision or reduction of share capital of the Company.”; and

- (B) with immediate effect any one of the Directors be and is hereby authorised to do all acts and things as may be necessary, desirable or expedient in order to give full effect to such amendments as contemplated in resolution 2(A).”

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. Subject to the passing of resolutions 1 and 2, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That:

- (A) the Business Restructuring Agreement (a copy of which having been produced to the EGM marked “A” and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (B) with immediate effect any one of the Directors be and is hereby authorised to do all acts and things as may be necessary, desirable or expedient in order to give full effect to this resolution.”

By Order of the Board
Mobvista Inc.
DUAN Wei
Chairman

Guangzhou, PRC
31 January 2022

Registered office:
P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Principal place of business in Hong Kong:
40th Floor
Dah Sing Financial Centre
No. 248 Queen’s Road East
Wanchai
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (i) A shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. On a poll, votes may be given either personally or by proxy.
- (ii) In the case of joint holders, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be deposited at the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. before 10:00 a.m. on 20 February 2022) or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof, as the case may be) if they so wish.
- (iv) The transfer books and register of members of the Company will be closed from Thursday, 17 February 2022 to Tuesday, 22 February 2022, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 16 February 2022.

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