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**WEIMOB INC.**

**微盟集團\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2013)**

**U.S.\$300,000,000 Zero Coupon Guaranteed Convertible Bonds due 2026**  
**(Stock Code: 40702)**

**U.S.\$150,000,000 1.50 per cent. Guaranteed Convertible Bonds due 2025**  
**(Stock Code: 40218)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

The board of directors (the “**Directors**”) (the “**Board**”) of Weimob Inc. (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2021 together with the comparative figures for the year ended December 31, 2020. The Group’s results have been audited by PricewaterhouseCoopers, the independent auditor of the Company, in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA, and have been reviewed by the Audit Committee (as defined below).

\* For identification purpose only

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

## FINANCIAL PERFORMANCE HIGHLIGHTS

	Year ended December 31,		Year-on-year change
	2021	2020	
	<i>(RMB in millions, except percentages)</i>		
Revenue	<b>2,685.7</b>	1,968.8	36.4%
Gross profit	<b>1,516.5</b>	1,002.6	51.3%
Operating (loss)/gain	<b>(761.1)</b>	9.0	N/A
Loss before income tax	<b>(844.3)</b>	(1,144.1)	N/A
Loss for the year	<b>(853.2)</b>	(1,166.4)	N/A
Total comprehensive loss for the year	<b>(860.7)</b>	(1,166.4)	N/A
Non-HKFRS Measures:			
Adjusted EBITDA	<b>(320.3)</b>	299.2	N/A
Adjusted net (loss)/profit	<b>(566.0)</b>	107.5	N/A

## 2021 RESULTS HIGHLIGHTS

New market opportunities arise from the sustained enhancement of the leading role of the digital economy in economic and social innovation, the accelerated digital transformation and the integration of digital technology into all the industries. In 2021, under the guidance of the strategy of “moving up-market (大客化)”, “ecosystem build-up (生態化)” and “globalization (國際化)”, we continuously invested in products and industries to enhance our efforts in the private domain, whilst providing customers with the Integrated Marketing and Sales Smart Growth Solution (the “TSO”). There was a continuous increase in the number of paying merchants and revenue of the Company.

In 2021, our total revenue reached RMB2,686 million, representing an increase of 36.4% compared with 1,969 million in 2020. Our gross profit increased by 51.3% from RMB1,002 million in 2020 to RMB1,517 million in 2021. Our adjusted net profit changed from a profit of RMB108 million in 2020 to a loss of RMB566 million in 2021, which was primarily due to our strategic increase in the R&D investment, our focus on construction of the new business operating system “WOS”, and our establishment of an industry-leading advantage, and the losses came from the acquisitions in 2021 and previous years. As of December 31, 2021, our cash and cash equivalents reached RMB3,809 million, with abundant cash reserves and a healthy financial structure.

For the year ended December 31, 2021, our total revenue of Digital Commerce reached RMB1,967 million, representing a year-on-year increase of 70.9%, of which the revenue of Subscription Solutions reached RMB1,188 million, representing a year-on-year increase of 90.9%. The number of paying merchants increased by 5% to 102,813, with the ARPU increasing by 57.7% to RMB11,553. The revenue of Merchant Solutions reached to RMB779 million, representing a year-on-year increase of 47.5%, with a gross billing of RMB10.95 billion, representing a year-on-year increase of 12.1%. The number of paying merchants increased by 26.7% to 57,909, with the ARPU to RMB13,454. Our revenue from Digital Media was RMB719 million, of which we served 2,287 advertisers, with the average spend per advertiser reaching RMB363,346. Through Merchant Solutions included in Digital Commerce and Digital Media, we assisted a total of 60.2 thousand merchants in the placement of a gross billing of RMB11.78 billion, representing a year-on-year increase of 10.3%.

In 2021, we continued to promote the strategy of “moving up-market”, “ecosystem build-up” and “globalization.” In terms of moving up-market, we cooperated with various well-known domestic enterprises, thereby having a leading advantage in the market share of the top 100 customers in fashion retail, commercial real estate, chain convenience store, catering and other industries, with our smart retail products becoming the first choice of retail group enterprises and a further increase in the percentage of revenue from large customers. In terms of ecosystem build-up, our Weimob Cloud PaaS Platform attracted new high-quality ecosystem partners by connecting developers with merchants and launched many applications, which helped partners to achieve revenue growth. We have also seen initial progress in Globalization business. ShopExpress, a cross-border e-commerce full-chain digital solution launched by us in 2021, served a total of over 1,000 stores, and we cooperated with many partners in the cross-border e-commerce industry at home and abroad, including PayPal, Stripe, 4PX and Aftership.

In May 2021, we completed the placing of new shares and issuance of convertible bonds and raised an aggregate gross proceeds of approximately US\$600 million intended to be used, for research and development, and mergers and acquisitions, so as to continuously expand our presence across the industry. Continuous research and development investment provided our customers with a secure, stable and reliable digital foundation. During the reporting period, the number of employees of our research and development center reached more than 2,300. We continuously upgraded the capability of smart retail solutions for connecting offline commerce and the full-chain marketing capability. We developed and launched two innovative industry solutions, namely smart supermarket and smart fresh products. In cross-border e-commerce, we developed and launched ShopExpress, an independent station product. In addition, WOS, the new commercial operating system developed by us, has officially launched in March 2022. We deeply recognized the importance of personal privacy protection and actively helped our merchants to establish and improve the personal privacy information protection system, and obtained the ISO27701 privacy information management system certificate. In August 2021, we obtained the trusted cloud security certification of cloud security unit SaaS, and the trusted cloud certificate from the China Academy of Information and Communications Technology and the Open Source Cloud Alliance for Industry. We have obtained a series of domestic and foreign authoritative certificates, including the ISO9001 quality control system certificate, the ISO20000 information technology service management system certificate, the ISO27001 information security management system certificate, and cloud computing security assessment certificate. We met international leading standards in cloud computing security, IT technology, process management, etc.

In terms of upgrading the marketing operation system, we achieved good results in the TSO service and continuously improved efficiency. In 2021, by enabling the merchants' access to the whole traffic domain, and by assisting merchants in full-chain marketing and omni-channel operation, we had nearly 500 TSO merchants and over 50 brand merchants were involved. The GMV of TSO merchants exceeds RMB2 billion, and contributed approximately RMB50 million in Merchant Solutions revenue.

During the reporting period, we also continuously made arrangements in vertical segments with a focus on the SaaS industry chain, reached an agreement to acquired a 51.89% equity interest in Shanghai Xiangxinyun Network Technology Co., Ltd. (上海向心雲網絡科技有限公司) (“**Xiangxinyun**”) in order to improve our ability to digitize smart retail shopping guide and consolidate our leading advantages in smart retail. In addition, the Weizhi Shuke Industrial Fund (微智數科產業基金), established by us in Beijing in February 2021, targeted the investment around cutting-edge areas including cloud computing, AI and big data. We have already invested in certain high-potential projects such as Shuyun, Haizhi(海致)and Meichuang(美創).

In 2021, we further improved our market acceptance, winning honors including “Golden Kylin – Best New Economy Listing (金麒麟•最佳新經濟上市公司)” by Sina Finance, the “Best Listed Company of the Year in the Greater China Region (年度大中華區最佳上市公司)” by Gelonghui (格隆匯), the “Best SaaS Company (最佳SaaS公司)” by Zhitongcaijing.com (智通財經), and the “Golden Wisdom Award – 2021 Outstanding Practice Award for Chinese Listed Companies in Digital Upgrade (金智獎•2021中國上市公司傑出數字化升級優秀實踐獎)” by JRJ.com. Each business segment of the Company also won various awards in the industry. For example, Weimob Smart Catering won the “Smart Catering Innovative Solution Award (智慧餐飲創新解決方案獎)” at the 10th China Catering Summit; Weimob Mengju (盟聚) won “Value Contribution Award (價值貢獻獎)”, “Regional Development Award (區域開拓獎)”, “Industry Breakthrough Award (行業突破獎)” and “Cooperation and Progress Award (合作共進獎)” of 2021 regional channel by Tencent Ads.

We believe that digital technology and the private domain operation methodology play an active role in helping enterprises reduce their costs, increase their efficiency and optimize their business model, therefore more and more enterprises opt to manage their loyal users in the “private domain” for the long term operation. Weimob is engaged in deep cultivation of the SaaS market and continuously enhances its exposure in the private domain, and will embrace the upcoming golden period of development.

## **BUSINESS REVIEW**

The continuous rise in the demand of enterprises for private domain operation has promoted the steady growth of our performance. The following is the key performance results of our main businesses and products in 2021.

### **Subscription Solutions**

The commercial cloud segment of our Subscription Solutions mainly provides SaaS software for e-commerce retail, catering, local life and other industries, enabling merchants to carry out private traffic management. During the reporting period, the revenue from our Subscription Solutions was RMB1,188 million, representing a year-on-year increase of 90.9%, with the number of paying merchants by 5.0% to 102,813 and the ARPU rising by 57.7% to RMB11,553.

Wei Mall is an omni-channel Mini Program e-commerce solution for our e-commerce retail segment, aiming at helping merchants open online malls on WeChat, Douyin, Xiaohongshu and other platforms. In light of future interconnection of e-commerce ecosystems, we further improved the omni-channel deployment ability of merchants in 2021. We built up the connection channel between the merchant Mini Program on WeChat and the external traffic contact points, achieving the redirection from the Mini Program mall to video account live streaming, thus facilitating efficient conversion of traffic for merchants. According to the service providers rankings officially published by the video account team, we continuously ranked first in the weekly popularity of video account service providers. We support the connection of WeChat Mini Program with external short links, and the convenient redirection between short messages, E-mails or websites external to WeChat and Mini Program, so as to expand the marketing scenarios of merchant Mini Program; in addition, we have cooperated with Douyin stores (抖音小店), Kuaishou stores (快手小店), Xiaohongshu (小紅書) and other platforms. Our Wei Mall and Smart Retail Solutions were connected to traffic platforms, including WeChat, Douyin, Kuaishou, Alipay, Baidu, QQ, QQ Browser, video account, and Xiaohongshu, thus achieving unified management and all-round deployment for the private domain. Our Wei Mall and Smart Retail Solutions were connected to the Huiju (惠聚) platform of Tencent, providing access to the public domain traffic platform of WeChat, thus creating a new traffic conversion channel for brand merchants.

As of December 31, 2021, the number of our smart retail merchants reached 6,126, and the revenue from smart retail was RMB426 million, representing an increase of 193.6% from RMB145 million in 2020, and accounting for 36% of Subscription Solutions revenue. There were 1,003 brand merchants and the average contract value of brand merchants reached RMB234 thousand. Weimob Smart Retail is becoming the preferred service provider for retail group enterprises, such as Fosun Group, Lenovo Group, Erdos Group, JNBY Group, Mulsanne Group, Cabbeen Group, Mendale Group (夢潔集團) and Nippon Group. Through serving group enterprises and large retail enterprises, the market influence of our smart retail business was further enhanced. We served 44% of China’s top 100 fashion retailers, 40% of China’s top 100 commercial real estate enterprises and 35% of China’s top 100 chain convenience store enterprises. In 2022, we will continue our exploration to create a full-chain digital business strength for retail enterprises through systems, technology, business and ecosystem, so as to achieve win-win cooperation.

The retail business is transforming from migration of business online to deepening online operation. In 2021, our Smart Retail Solutions continuously enabled the growth of the digital business of enterprises. Through business and product integration with Shanghai Heading Information Engineering Co., Ltd. (“**Heading**”) previously acquired by us, we successfully expanded our business to cover retail businesses, including shopping malls, supermarkets and department stores, which significantly strengthened our competitive advantage of Smart Retail Solutions. Through the acquisition of Xiangxinyun, we could deepen our ability to digitize shopping guide, further consolidate our leading position in smart retail and could be recognized by the market. Through connection to the middle platform of BAISON, we improved the operation efficiency of merchants, online and offline omni-channel member management. In December 2021, we launched the “Weimob Super Shopping Guide Show”, in which approximately 100 well-known retail brands actively participated. We hope that the launch of this event helps unlock the value of the shopping guide, which is a key connection point to connect merchants and users, and will promote the overall ecosystem development of smart retail.

Based on the sound product solutions and full-chain marketing services, we continuously expanded our cooperation with large retail enterprises to achieve cross-brand, cross-business and cross-department cooperation, which resulted in rapid growth in customer value, with a year-on-year increase of 87% in the number of paying customers of cloud stores of Smart Retail merchants, a year-on-year rise of 75% in revenue of cloud stores and a year-on-year growth of 50% in the number of shopping guides of cloud stores. During the reporting period, the size and number of the traditional retail enterprise customers served by us continued to grow. We further acquired new consumer brand merchants. The number of new merchants for the smart retail business increased significantly as compared with 2020. There was a continuous increase in the number of brand merchants including many well-known retail enterprises such as Hotwind, ELLASSAY, ERAL, JNBY, Columbia, BAIXIAOT, Maoren, ISDIN, Mengniu NIUBAY, Yurun (雨潤), Xuan Ma (軒媽), Nippon, Elivin, and NOURSE.

In November 2021, we cooperated with Heading in launching two major innovative industry solutions, namely smart supermarket and smart fresh foods, deeply integrating the advantages of Weimob Smart Retail in front-end marketing, chain management, member management, as well as Heading’s digitalization capability in supply chains including logistics and warehousing, so as to create a full-chain integrated digital supermarket and fresh food solutions for the supermarket and fresh food industries. Currently, we’re accelerating the market development for our smart supermarket and smart fresh solutions, which are expected to contribute to the revenue growth of our retail business segment.



In order to promote our international business layout, we launched ShopExpress, an independent cross-border station product in July 2021, so as to help Chinese brands develop their business overseas in the era of DTC through a full-chain, digital and outbound e-commerce solutions. Within five months after the launch, ShopExpress was continuously upgraded, with over 350 product functions iterated repeatedly, so as to adapt to third-party services including payment, logistics and ERP, and create an integrated ecosystem. As of 2021, ShopExpress served a total of more than 1,000 stores, and many brand customers in industries cooperated with ShopExpress in successfully developing their business overseas. Based on the global demand of our existing customers, we created a cross-border operation cycle, thus differentiating ourselves and forming a competitive advantage of cross-border independent stations. With the cross-border e-commerce SaaS opportunities from overseas business development of enterprises, ShopExpress will become an important engine for our future growth.

In 2021, in the smart catering segment, we established the technology and operation systems of “three-store integration, and full-domain operation.” We made further progress in portfolio solutions, providing richer product portfolios, covering the front-end operation scenarios of catering. We served a series of benchmarking customers with software and service products. During the reporting period, among our catering customers, there was a continuous significant increase in the number of take-out merchants, merchants’ members, and merchants in the malls. The overall revenue of our smart catering business also grew continuously. As of December 31, 2021, the number of our catering merchants reached 8,406. The revenue from smart catering was RMB53.616 million, representing an increase of 19.6% from RMB44.817 million in 2020, and accounting for 4.5% of revenue from Subscription Solutions. The average contract value of catering merchants was RMB17 thousand.

In 2021, in terms of moving up-market, our Smart Catering made further progress, serving well-known catering brands including Tang Palace, Din Tai Fung, Lishanghuang (粒上皇), Zuoting Youyuan (左庭右院), Bianyifang (便宜坊), Mr. Way (路先生), Yer-shari (耶里夏麗), Qinghuajiao Huajiaoyu (青花椒花椒魚), Xinfaxian (新發現) and Xuye (許爺). As of the end of 2021, we served 41% of China’s top 100 catering enterprises; revenue from high-quality customers who purchased three or more products or services accounted for 51%.

In the Smart Hotel and Tourism segment, with the continuously optimized and upgraded Smart Hotel and Smart Tourism Solutions, we assisted merchants of the Hotel and Tourism Industry to improve their multi-scenario efficient operation capabilities, so as to promote revenue growth in 2021. In 2021, we further cooperated in coordination with Guangzhou Xiangminiao Network Technology Co., Ltd. (the “**Xiangminiao Technology**”) and energized digital marketing of the Hotel and Tourism Industry and arrangement of private domain traffic ecosystem to realize the efficient conversion of traffic and the sustainable growth of hotel private traffic through the TSO service. As of December 31, 2021, there were more than 600 high-end hotels involved in South China, East China, Southwest China and other regions so far. In 2021, Xiangminiao Technology assisted cooperative merchants to grow against the trend under the impact of the pandemic. The annual GMV of nearly 100 mature hotels in Hainan Province and other regions exceeded RMB13 million. Under the Digital Solution of Xiangminiao Technology, the transaction volume of partner hotels in the WeChat channel accounted for 20% of the total transaction volume of hotels, and that of some hotels reached 35%. Xiangminiao Technology has enabled data connection between We Mall and Xiaohongshu channels based on WeChat private domain direct sales. Also, system connection with Douyin, Kuaishou and other platforms is accelerating, which means we will continuously manage and build the direct connection drainage and efficient conversion from the public domain to the private domain in diversified channels.

In the marketing cloud segment, WeCom and video account, as popular channels in 2021, put us in a leading position in the industry. Based on WeCom, we developed “Weimob WeCom Assistant (微盟企微助手)”, a private domain management solution, so as to provide access to WeChat customer service functions, which allows merchants to upgrade their original customer service to “WeChat customer service (微信客服)” of WeCom in the Mini Program mall, thus providing more powerful and dedicated customer service for customers. The two-way connection with video accounts helped further connect video marketing contents and WeCom traffic hub, supporting merchants in improving the efficiency in the process from obtaining to management of private traffic. The capabilities of Weimob WeCom Assistant have been improved and matured. All of our products, including Wei Mall, Smart Retail, Smart Catering, Smart Marketing, and Xiaoke (銷氦), have been connected to Weimob WeCom Assistant, reaching tens of millions of end consumers, which put us in a leading position in the industry.

In order to further support the upgrade of private domain operation of brands, we reached strategic cooperation with Tencent Security in establishing a “private domain security laboratory”, and launched a “Yingxiaobao (營銷保)” to help merchants successfully achieve private domain security protection with security as the core, prevent damage from underground industries in the Internet environment, and help brands improve the security of private domain management.

In the sales cloud segment, “Xiaoke”, a sales cloud product incubated by us, is positioned as a leading smart CRM product. In 2021, the Xiaoke product was upgraded over 80 times and over 700 new product functions were added to this new product. The function of Xiaoke was further upgraded and well recognized by the market, through the launch of B2C industry solutions, focused development of WeCom private domain capacity, enriching the functionalities of the full chain of L2C, and the provision of access to underlying data interfaces. We will continuously strengthen our technical, product and service capabilities, and facilitate enterprises with new growth drivers by digital and intelligent technology.

## **Merchant Solutions**

Our Merchant Solutions offer service solutions integrating traffic, tool and operation, and provide merchants with a one-stop closed-loop of operation covering user identification, demand matching, creativity and photography, targeted advertisement placement, data analysis and post-SaaS link conversion. The integrated marketing service capability has been continuously upgraded.

In 2021, the targeted marketing business of our Merchant Solutions continued to grow rapidly. As of December 31, 2021, we provided services to 57,909 paying merchants, with average spend per advertiser of RMB189,051. In 2021, the gross billing from targeted marketing was RMB10.95 billion, representing an increase of 12.1% compared with 2020. And the revenue from Merchant Solutions was RMB0.78 billion, representing a year-on-year increase of 47.5%.



Meanwhile, we made a huge breakthrough in promoting the TSO (SaaS + Traffic + Operation)” ecosystem, achieving collaborative upgrade of marketing of brand merchants in public and private domains. The TSO strategy has covered finance, online service, education, direct sales e-commerce, local lifestyle, wedding photography, food and beverage, cosmetics and clothing, and other industries. Through the TSO strategy, we provide marketing strategies for digitization scenarios in different chains, and achieve growth in the private domain. Shanghai TEAM PRO Technology Co., Ltd. (上海緹盟普絡科技有限公司) (“**TEAM PRO**”), established by us in April 2021, aims to integrate targeted marketing and digital operation capabilities through the Weimob SaaS system, and expand services of ecosystem management via various channels including Douyin and Xiaohongshu, so as to help enterprises achieve coordinated growth of brands and transactions, and further deepen the arrangements for full-chain marketing services. TEAM PRO has applied full-chain marketing strategies to brands including Tsingtao Brewery and ETAT PUR, supporting the brands in increasing their reputation and sales volumes.

In terms of short videos creativity and filming, our short videos center has a deep understanding in demands of brands and product characteristics on the basis of focusing on the research and customized filming of news feed short videos, and provides major brands with all-round effective solutions covering professional content programs, advertising creativity, high-quality video filming and post-filming packaging and production. In 2021, we accelerated our penetration in live streaming business, and provided brands with one-stop effective marketing solutions, covering traffic placement, videos creativity and filming, SaaS system conversion, and the closed-loop operation, and achieved excellent conversion effect through the creative production of contents and traffic attraction. At present, the total number of short videos from the Weimob short videos center exceeds 120,000, with an average monthly output of over 10,000.

In terms of data-driven efficiency growth, we cooperated with Tencent Ads in launching the Tengmeng Mofang (騰盟魔方) data product, to give full play to the role of big data in targeted traffic driving, and further improve the placement efficiency and effect of customers. “Tengmeng Mofang” has served over 40 brands, covering food, clothing, beauty and other industries.

## **Digital Media**

In terms of digital media, we provide merchants with advertising services with commitment. At present, our traffic channels cover WeChat Moments, WeChat official account, QQ and Qzone, Tencent News, Tencent Video, TouTiao.com (今日頭條) and other various media resources. Based on the overall strategy of the group, the Digital Media business is no longer the company’s strategic focus. In 2021, our revenue from digital media solutions was RMB719 million, representing a decrease of 12.1% compared with 2020, and the gross billing was RMB831 million. We served a total of 2,287 advertisers, with the average spend per advertiser reaching RMB363,346.

## **Weimob Cloud Platform**

Our Weimob Cloud PaaS platform currently has five sub-ecosystems, namely content, traffic, service, application and overseas ecosystems. In 2021, Weimob Cloud Platform had more than 50 new high-quality ecosystem partners and launched more than 400 cloud market applications, helping partners achieve exponential revenue growth.

We basically completed the research and development of “WOS”, the new commercial operating system, in 2021 and officially launched the public test in March 2022, which marked strategic transformation from a SaaS tool manufacturer to a platform-based and ecosystem enterprise. “WOS”, the new commercial operating system builds business service capabilities in the following three aspects: first, a SaaS application integration platform with good business experience, which can provide merchants with full-chain, full-scenario, integrated SaaS products and innovative applications; second, to build an ecosystem to nurture business innovation. We will work with our partners to serve merchants and meet their standardized and personalized needs; third, to provide a highly efficient research and development platform for merchants ISV ourselves and to build and use together. We hope to build a decentralized business infrastructure for enterprises through “WOS”, the new commercial operating system, so as to break the bottleneck that multiple-systems cannot be integrated for enterprises and brands, build the Smart Business foundation and drive the accumulation and unleash the value of digital assets. At the same time, we will gather thousands of ecosystem partners to promote the ecosystem development and industrial upgrading of the Business Service Industry in China. In 2022, we will continuously improve the product strength of WOS, and enable ecosystem partners to better serve customers through Weimob Cloud. We will promote the product and business by technology, so as to achieve faster product development, and provide better product experience and services, and more ecosystem applications and services, which will encourage customers to purchase more products and pay for renewal, thus increasing ecosystem revenue.

## **BUSINESS OUTLOOK**

In 2022, we will focus on seven major directions:

1. **Focusing on moving up-market, and maintaining the leading position.** We will continuously strengthen our strategic investment in moving up-market, and further increase the proportion of revenue from moving up-market. We will focus on deep engagement in six major industries, namely clothing, home furnishing, beauty and personal care, digital, building materials and FMCG, and make efforts in the two innovative industries, namely department stores and supermarkets. We will achieve cross-domain operation by interconnecting between business, private and public domains.
2. **Openness for win-win outcome and creation of ecosystem barriers.** We will further cultivate the ecosystem value. By continuously enriching the verticals in the ecosystem, we help merchants achieve better management. Meanwhile, we will work with ecosystem partners in the industry to jointly create deeper industry solutions and achieve deep penetration in vertical industries. We will unblock online and offline sales channels in the ecosystem, and further deepen the capabilities of PaaS platforms to achieve the two-way guarantee in respect of customer value and ecosystem partners.

3. **Full-chain Operation of TSO to enable the smart growth of customers.** We will support the smart growth of customers through private domain talent training plans, process standardization and large-scale replication, Kylin (麒麟) system for operational efficiency improvement, deepening of industry practice, creation of full-domain growth model and expansion of the scope of the private domain, etc.
4. **Greater efforts in the private domain to consolidate the leading position in the industry.** We will help merchants complete customer communication and reach, customer assets and customer management, and customer recognition and insight goals through three channels in the private domain, namely “WeCom Assistant, OneCRM and CDP+MA”, so as to provide comprehensive and integrated private domain product solutions for merchants.
5. **Multi-cloud layout to drive new growth.** In 2022, we will continue to expand our business footprint, deepen our business arrangements for business cloud, marketing cloud and sales cloud, and enable enterprises to achieve new growth through our products and technologies.
6. **7+X to create a new growth engine.** We will focus on creating the “7+X” growth engine. Based on seven core products, namely, transaction, CRM, WeCom, CDP, traffic, shopping guide and statistics, we will outsource X to third parties, and build an ecosystem through the Weimob Cloud market. We will provide more solution portfolios for cross-selling, so as to meet the needs of merchants to the maximum extent.
7. **Cross-border business development, and layout for global markets.** We will continue to implement the globalization strategy through one-stop cross-border solutions, access to traffic from overseas platforms, construction of a cross-border e-commerce ecosystem, and greater efforts in the arrangement for the global service network.

Time and tide wait for no man. We will never stop in our endeavour to continue improving ourselves through making unremitting efforts. We firmly believe that SaaS in China is still in the infancy and growth stages, and has a bright prospect despite difficulties on the way. The COVID-19 pandemic has accelerated the digitalization process of Chinese enterprises. Under this background, Weimob Inc. has made sufficient product reserve, technology reserve, talent pools and capital reserves, which lays a solid foundation for the development in the next five years. In 2022, we will continue to forge ahead, live up to our original aspiration and mission, support the smart growth of customers and create greater value for shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

	Year ended December 31,	
	2021	2020
	(RMB'000)	
<b>Revenue</b>	<b>2,685,686</b>	1,968,814
Cost of sales	<u>(1,169,211)</u>	<u>(966,195)</u>
<b>Gross profit</b>	<b>1,516,475</b>	1,002,619
Selling and distribution expenses	(1,714,774)	(919,372)
General and administrative expenses	(811,446)	(260,723)
Net impairment losses on financial assets	(83,116)	(8,597)
Other income	131,053	118,200
Other gains, net	<u>200,747</u>	<u>76,870</u>
<b>Operating (loss)/gain</b>	<b>(761,061)</b>	8,997
Finance costs	(91,133)	(55,722)
Finance income	15,563	12,376
Share of net profit/(loss) of associates accounted for using the equity method	6,991	(23,408)
Change in fair value of convertible bonds	<u>(14,690)</u>	<u>(1,086,310)</u>
<b>Loss before income tax</b>	<b>(844,330)</b>	(1,144,067)
Income tax expenses	<u>(8,913)</u>	<u>(22,312)</u>
<b>Loss and total comprehensive loss</b>	<b>(853,243)</b>	(1,166,379)
Loss and total comprehensive loss attributable to:		
– Equity holders of the Company	(783,023)	(1,156,622)
– Non-controlling interests	<u>(70,220)</u>	<u>(9,757)</u>

## Key Operating Data

The following table sets forth our key operating data for the years ended/as of December 31, 2021 and 2020.

**Year ended/as of December 31,**  
**2021**                      **2020**

### **Digital Commerce**

#### ***Subscription Solutions***

Addition in number of paying merchants	<b>27,690</b>	37,506
Number of paying merchants	<b>102,813</b>	98,002
Attrition rate <sup>(1)</sup>	<b>23.3%</b>	26.1%
Revenue <sup>(2)</sup> (RMB in millions)	<b>1,187.8</b>	717.9
ARPU <sup>(3)</sup> (RMB)	<b>11,553</b>	7,326

#### ***Merchant Solutions***

Number of paying merchants	<b>57,909</b>	45,698
Revenue (RMB in millions)	<b>779.1</b>	528.3
ARPU (RMB)	<b>13,454</b>	11,560
Gross billing (RMB in millions)	<b>10,947.8</b>	9,764.3

### **Digital Media**

Number of advertisers	<b>2,287</b>	2,504
Gross billing (RMB in millions)	<b>831.0</b>	915.5
Average spend per advertiser (RMB)	<b>363,346</b>	365,612
Revenue (RMB in millions)	<b>718.8</b>	818.2
ARPU (RMB)	<b>314,288</b>	326,741

#### *Notes:*

- (1) Refers to the number of paying merchants not retained over a year divided by the number of paying merchants as of the end of the previous year.
- (2) Refers to revenue for Subscription Solutions under non-HKFRS measures.
- (3) Refers to the revenue of Subscription Solutions for the year divided by the number of paying merchants as of the end of such year.



## Key Financial Ratios

	Year ended December 31,	
	2021	2020
	%	%
Total revenue growth	<b>36.4</b>	37.0
– Digital Commerce	<b>70.9</b>	33.0
– Digital Media	<b>(12.1)</b>	43.2
Gross margin <sup>(1)</sup>	<b>56.5</b>	50.9
– Digital Commerce	<b>76.3</b>	83.9
– Digital Media	<b>2.1</b>	4.5
Adjusted EBITDA margin <sup>(2)</sup>	<b>(11.9)</b>	14.5
Net margin <sup>(3)</sup> attributable to equity holders of the Company	<b>(29.2)</b>	(58.7)
Adjusted net margin <sup>(4)</sup> attributable to equity holders of the Company	<b>(19.5)</b>	4.7

### Notes:

- (1) Equals gross profit divided by revenue for the year and multiplied by 100%.
- (2) Equals adjusted EBITDA divided by revenue and multiplied by 100%. For the reconciliation from operating profit/(loss) to EBITDA and adjusted EBITDA, see “–*Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net Profit/(Loss)*” below.
- (3) Equals net margin attributable to equity holders of the Company divided by revenue for the year and multiplied by 100%.
- (4) Equals adjusted net profit/(loss) attributable to equity holders of the Company divided by revenue and multiplied by 100%. For the reconciliation from net profit/(loss) to adjusted net profit/(loss), see “–*Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net Profit/(Loss)*” below.

## Revenue

Our total revenue increased by 36.4% from approximately RMB1,968.8 million in 2020 to approximately RMB2,685.7 million in 2021, primarily due to the increase in our revenue generated from our Digital Commerce. The following table sets forth a breakdown of our revenue by business segment for the years indicated.

Revenue	2021		Year ended December 31, 2020		
	<i>Revenue per financial statement</i>	<i>%</i>	<i>Revenue per financial statement</i>	<i>Revenue excluding SaaS Sabotage event</i>	
– Subscription Solutions	<b>1,187.8</b>	<b>44.2</b>	622.4	717.9	34.8
– Merchant Solutions	<b>779.1</b>	<b>29.0</b>	528.3	528.3	25.6
<b>Digital Commerce</b>	<b>1,966.9</b>	<b>73.2</b>	1,150.7	1,246.2	60.4
<b>Digital Media</b>	<b>718.8</b>	<b>26.8</b>	818.2	818.2	39.6
<b>Total</b>	<b>2,685.7</b>	<b>100</b>	1,968.8	2,064.4	100

### *Digital Commerce – Subscription Solutions*

Subscription Solutions mainly comprise our commerce and marketing SaaS products and ERP solutions including WeiMall (微商城), Smart Retail (智慧零售), Smart Catering (智慧餐飲), Smart Hotel (智慧酒店), Heading ERP (海鼎ERP) and others. Based on our WOS and PaaS, we also provide key accounts customization services, and offer applications developed by third-party vendors on the WOS.

Revenue from Subscription Solutions increased by 90.9% from approximately RMB622.4 million in 2020 to approximately RMB1,187.8 million in 2021. Under the strategy of moving up-market, the customer scale and quality of our Subscription Solutions have steadily improved. Although the number of paying merchants increased by approximately 5% from 98,002 in 2020 to 102,813 in 2021, the ARPU increased by approximately 57.7% from approximately RMB7,326 in 2020 to RMB11,553 in 2021. Revenue from Subscription Solutions in 2020 has been influenced by the impact from SaaS sabotage event. Excluding the impact from SaaS sabotage event in 2020, our revenue from Subscription Solutions increased by 65.5%.

The following table sets forth a breakdown of the gross billing and revenue by business segment for the years indicated.

## ***Digital Commerce – Merchant Solutions***

<b>Merchant Solutions</b>	<b>Year ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>Year-on-year change</b>
	<i>(RMB in millions, except percentages)</i>		
Gross billing	<b>10,947.8</b>	9,764.3	12.1%
Revenue	<b>779.1</b>	528.3	47.5%

Merchant Solutions mainly comprise value-added services offered to merchants as part of the integral solutions to meet merchants' online Digital Commerce and marketing needs, including targeted marketing services that enable merchants to acquire online customer traffic in various top online advertising platforms, and our TSO service, which organically combines Weimob core competencies in traffic, SaaS, and operational excellence and support our clients in optimizing business operation in the private domain.

Gross billing from our Merchant Solutions increased from approximately RMB9,764.3 million in 2020 to approximately RMB10,947.8 million in 2021, primarily due to the increase in the number of paying merchants from 45,698 in 2020 to 57,909 in 2021, while we had a decrease in average spend per paying merchant from RMB213,672 in 2020 to RMB189,051 in 2021.

Revenue from Merchant Solutions represents net rebate earned from advertising platforms by providing services to enable merchants to acquire online customer traffic, commissions from TSO service and commissions from targeted marketing operation service. It increased by 47.5% from approximately RMB528.3 million in 2020 to approximately RMB779.1 million in 2021, as a result of the growth in gross billing and the increase in monetization of targeted marketing service charges and commissions from TSO service.

## ***Digital Media***

<b>Digital Media</b>	<b>Year ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>Year-on-year change</b>
	<i>(RMB in millions, except percentages)</i>		
Gross billing	<b>831.0</b>	915.5	(9.2%)
Revenue	<b>718.8</b>	818.2	(12.1%)

Digital Media mainly comprise our advertisement placement services offered to certain merchants in which specified results or actions are committed.

Gross billing from our Digital Media decreased from approximately RMB915.5 million in 2020 to approximately RMB831.0 million in 2021, primarily due to the decrease in the number of advertisers from 2,504 in 2020 to 2,287 in 2021, and a decrease in average spend per advertiser from RMB365,612 in 2020 to RMB363,346 in 2021.

Revenue from Digital Media represents revenue from advertisers for targeted marketing services recognized using gross billing net off taxes and discounts. Since 2020, the management determined to focus more on Digital Commerce business in which targeted marketing service would be provided as part of the holistic digital commerce solution to merchants, therefore the Digital Media business is to support the small batch of advertisers to buy traffic and is not expected to be a strategic focus under the Company's new strategy. It decreased by 12.1% from approximately RMB818.2 million in 2020 to approximately RMB718.8 million in 2021, in line with the decrease in gross billing.

## Cost of Sales

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

	Year ended December 31,			
	2021		2020	
	<i>(RMB in millions, except percentages)</i>			
<b>Cost of sales</b>				
Advertising traffic cost for Digital Media	734.3	62.8%	750.5	77.7%
Staff costs	131.5	11.3%	38.5	4.0%
Broadband and hardware costs	58.9	5.0%	50.5	5.2%
Contract operation services costs	131.2	11.2%	36.4	3.8%
Amortization of intangible assets	100.8	8.6%	83.4	8.6%
Taxes and surcharges	11.1	1.0%	6.0	0.6%
Depreciation	1.4	0.1%	0.9	0.1%
<b>Total</b>	<b>1,169.2</b>	<b>100%</b>	<b>966.2</b>	<b>100.0%</b>

Our cost of sales increased by 21.0% from approximately RMB966.2 million in 2020 to approximately RMB1,169.2 million in 2021, primarily because (i) our staff costs increased from approximately RMB38.5 million in 2020 to approximately RMB131.5 million in 2021, as a result of combination of Heading, (ii) our amortization of intangible assets increased from approximately RMB83.4 million in 2020 to approximately RMB100.8 million in 2021, as we increased R&D investment since 2019 and (iii) our contract operation services costs increased from approximately RMB36.4 million in 2020 to approximately RMB131.2 million in 2021, in line with the increase of the revenue of our targeted marketing operation service as well as TSO operation service for the Merchant Solutions.

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

	Year ended December 31,			
	2021		2020	
	<i>(RMB in millions, except percentages)</i>			
<b>Cost of sales</b>				
– Subscription Solutions	338.9	29.0%	183.1	18.9%
– Merchant Solutions	126.5	10.8%	1.6	0.2%
<b>Digital Commerce</b>	<b>465.4</b>	<b>39.8%</b>	<b>184.7</b>	<b>19.1%</b>
<b>Digital Media</b>	<b>703.8</b>	<b>60.2%</b>	<b>781.5</b>	<b>80.9%</b>
<b>Total</b>	<b>1,169.2</b>	<b>100%</b>	<b>966.2</b>	<b>100%</b>

### ***Digital Commerce – Subscription Solutions***

Cost of sales of our Subscription Solutions increased by 85.1% from approximately RMB183.1 million in 2020 to approximately RMB338.9 million in 2021, primarily due to (i) an increase of approximately RMB26.6 million in operation services costs; (ii) an increase of approximately RMB99.0 million in our staff cost, both related to business combination of Heading; (iii) an increase of approximately RMB19.2 million in our amortization of intangible assets pertaining to our self-developed software for SaaS products, as we increased R&D investment since 2019.

### ***Digital Commerce – Merchant Solutions***

The cost of sales of our Merchant Solution increased by approximately RMB124.9 million from approximately RMB1.6 million in 2020 to approximately RMB126.5 million in 2021, primarily due to the increase of approximately RMB33.5 million in advertising traffic costs, and an increase of approximately RMB81.2 million in services costs related to target marketing operation service and TSO service.

### ***Digital Media***

The cost of sales of our Digital Media which mainly represents cost of traffic purchased decreased by 9.9% from approximately RMB781.5 million in 2020 to approximately RMB703.8 million in 2021 which was in line with the decline in the revenue from Digital Media.

### **Gross Profit and Gross Margin**

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

	2021		Year ended December 31,				
				2020			
	<i>Gross profit</i>	<i>%</i>	<i>Gross margin</i>	<i>Gross profit per financial statements</i>	<i>Profit excluding SaaS sabotage event</i>	<i>%</i>	<i>Margin excluding SaaS sabotage event</i>
– Subscription solutions	848.9	56.0	71.5%	439.2	534.8	48.7	74.5%
– Merchant Solutions	652.6	43.0	83.8%	526.7	526.7	48.0	99.7%
<b>Digital Commerce</b>	<b>1,501.5</b>	<b>99.0</b>	<b>76.3%</b>	<b>965.9</b>	<b>1,061.5</b>	<b>96.7</b>	<b>85.2%</b>
<b>Digital Media</b>	<b>15.0</b>	<b>1.0</b>	<b>2.1%</b>	<b>36.7</b>	<b>36.7</b>	<b>3.3</b>	<b>4.5%</b>
<b>Total</b>	<b>1,516.5</b>	<b>100.0</b>	<b>56.5%</b>	<b>1,002.6</b>	<b>1,098.2</b>	<b>100.0</b>	<b>53.2%</b>

Our overall gross profit increased by 51.3% from approximately RMB1,002.6 million in 2020 to approximately RMB1,516.5 million in 2021. Excluding the impact from SaaS sabotage event in 2020, our overall gross profit increased by 38.1% from approximately RMB1,098.2 million in 2020 to approximately RMB1,516.5 million in 2021.



The gross margin of our Subscription Solutions increased from 70.6% in 2020 to 71.5% in 2021. Excluding the impact from the SaaS sabotage event in 2020, the gross margin of Subscription Solutions decreased from 74.5% in 2020 to 71.5% in 2021, primary due to the comparatively low gross margin of Heading.

The gross margin of our Merchant Solutions decreased from 99.7% in 2020 to 83.8% in 2021 primarily due to the changes in revenue mix as, in addition to the relatively high gross margin from targeted marketing net rebate revenue, the gross margin of targeted marketing operation service and TSO service are relatively low.

The gross margin of our Digital Media decreased from 4.5% in 2020 to 2.1% in 2021 primarily due to increased traffic cost.

### **Selling and Distribution Expenses**

Our selling and distribution expenses increased by 86.5% from approximately RMB919.4 million in 2020 to approximately RMB1,714.8 million in 2021, primarily due to the following items: (i) increase in staff costs of approximately RMB26.7 million as a result of the acquisition of Heading, (ii) increase in staff costs for our sales and marketing personnel by approximately RMB460.1 million, which consists of approximately RMB198.7 million from the annualization effect of our increased sales and marketing staff in the second half of 2020, and approximately RMB113.6 million from additional operating staff who are responsible for better supporting medium to large merchants in their private traffic operation, and supporting merchants in connecting and tapping in traffic from various ecosystems; (iii) increase in marketing and promotion expenses by approximately RMB223.4 million, mainly driven by increased expenditures on brand and targeted marketing via Tencent to enhance brand recognition, support merchant growth, and expand to more verticals and regions in retail market; and (iv) increase in contract acquisition costs by approximately RMB23.5 million, which was in line with our business expansion.

### **General and Administrative Expenses**

Our general and administrative expenses increased by 211.2% from approximately RMB260.7 million in 2020 to approximately RMB811.4 million in 2021, primarily due to (i) the increase in staff cost by approximately RMB383.3 million in 2021 as a result of substantial investments in research and development since 2020, (ii) the increase in rental and property service expenses by approximately RMB28.2 million, and (iii) the increase in depreciation and amortization by approximately RMB56.0 million, both in line with the increase in staff cost.

## Research and Development Expenditure

	Year ended December 31,	
	2021	2020
	<i>(RMB in millions, except percentages)</i>	
<b>Research and development expenditure</b>		
Research and development expenditure capitalized in development cost & intangible assets	330.4	161.3
Research and development expenditure in general & administrative expenses	444.6	89.7
<b>Total research and development expenditure</b>	<b>775.0</b>	<b>251.0</b>

Research and development expenditure increased by 208.8% from approximately RMB251.0 million in 2020 to approximately RMB775.0 million in 2021, due to (i) the increase of approximately RMB135.8 million mainly from new R&D staff brought in after the acquisition of Heading, (ii) the increase of approximately RMB110.7 million due to annualization effect of our increased R&D staff in the second half of 2020, and (iii) the increase of approximately RMB277.5 million as a result of the increase in number of R&D staff in 2021. The increase in R&D headcount in 2021 was mainly for the following purposes: ① to develop and enhance the industry vertical solutions to better serve medium to large merchants and meet their demands for sophisticated and enriched functionalities; ② to build up and upgrade “WOS”, our PaaS Solution for the purpose of building up our ecosystem; and ③ to develop product and solutions for outbound export merchants.

## Net Impairment Losses on Financial Assets

We had net impairment losses on financial assets of approximately RMB83.1 million in 2021, primarily as a result of the general and specific provision for credit loss from our trade receivables, notes receivables, other receivables and financial assets measured at fair value through other comprehensive income.

## Other Income

Our other income increased from approximately RMB118.2 million in 2020 to approximately RMB131.1 million in 2021, primarily due to an increase of approximately RMB7.1 million in government grants provided to us in the form of tax refunds and an increase of approximately RMB6.6 million in input VAT super deduction.

## Other Gains, net

Our other net gains increased from approximately RMB76.9 million in 2020 to approximately RMB200.7 million in 2021, mainly due to an increase of approximately RMB86.5 million in fair value change of our investments and favourable foreign exchange variance of approximately RMB35.9 million.

## **Operating (Loss)/Profit**

As a result of the foregoing, we had an operating loss of approximately RMB761.1 million in 2021 while we had an operating profit of approximately RMB9.0 million in 2020.

## **Finance Costs**

Our finance costs increased significantly from approximately RMB55.7 million in 2020 to approximately RMB91.1 million in 2021, primarily due to (i) an increase of approximately RMB9.1 million in our interest expenses from our bank borrowings due to our increased bank borrowings for business expansion and (ii) the amortization of interest expenses on convertible bonds under effective interest method of approximately RMB51.9 million netting off the convertible bonds issuance cost of approximately RMB23.7 million in 2020.

## **Finance Income**

Our finance income increased from approximately RMB12.4 million in 2020 to approximately RMB15.6 million in 2021, primarily due to an increased interest income on our bank deposits as a result of an increase in the average balance of our bank deposits in 2021.

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

We recorded share of net profit of associates accounted for using the equity method of approximately RMB7.0 million in 2021, which mainly represented our share of profit from an equity investment fund named Nanjing Chuangyi Fund.

## **Change in Fair Value of Convertible Bonds**

We recorded a loss of approximately RMB14.7 million in change in fair value of convertible bonds due to the appreciation in fair value of approximately RMB26.5 million netting off the loss of conversion offering for convertible bonds approximately RMB41.2 million.

## **Income Tax Expense**

We recorded income tax expense of approximately RMB22.3 million in 2020 and approximately RMB8.9 million in 2021, primarily due to the increased fair value gain of financial assets at fair value through profit or loss, resulting in the increase in deferred income tax expense netting off the increase in the recognition of deferred income tax assets resulting from the increased impairment losses on financial assets and increased tax losses in our subsidiaries in PRC.

## **Loss for the Year**

As a result of the foregoing, we recorded a loss of approximately RMB853.2 million in 2021 while we recorded a loss of approximately RMB1,166.4 million in 2020.

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

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

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

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

	For the year ended December 31, 2021 (unaudited)						
	Adjustments						
	As reported	Share-based compensation	Financing, other one-off expenses <sup>(1)</sup>	Change in fair value of convertible bonds	Amortisation of intangible assets <sup>(2)</sup>	Tax effects	Non-GAAP
Gross profit	1,516.5				15.2		1,531.7
Gross Margin	56.5%						56.5%
Subscription Solutions	71.5%						71.5%
Merchant Solutions	83.8%						83.8%
Digital Commerce	76.3%						76.3%
Digital Media	2.1%						2.1%
Operating Profit/(Loss)	(761.1)	174.0	0.0		37.8		(549.3)
Operating Margin	(28.3%)						(20.5%)
EBITDA	(494.2)	174.0					(320.3)
EBITDA Margin	(18.4%)						(11.9%)
Net loss	(853.2)	174.0	51.9	14.7	37.8	8.9	(566.0)
Net Margin	(31.8%)						(21.1%)
Net loss attributable to equity holders of the Company	(783.0)	174.0	51.9	14.7	21.5	(3.3)	(524.3)
Net margin attributable to equity holders of the Company	(29.2%)						(19.5%)

For the year ended December 31, 2020 (unaudited)

	Adjustments						Non-GAAP
	As reported	Share-based compensation	Financing, listing and other one-off expenses <sup>(1)</sup>	Compensation due to SaaS sabotage events	Change in fair value of convertible bonds	Tax effects	
	(RMB in millions, unless specified)						
Gross profit	1,002.6			95.5			1,098.2
Gross Margin	50.9%						53.2%
Subscription Solutions	70.6%						74.5%
Merchant Solutions	99.7%						99.7%
Digital Commerce	83.9%						85.2%
Digital Media	4.5%						4.5%
Operating Profit	9.0	45.6	25.3	94.3			174.3
Operating Margin	0.5%						8.4%
EBITDA	133.9	45.6	25.3	94.3			299.2
EBITDA Margin	6.8%						14.5%
Net profit/(loss)	(1,166.4)	45.6	25.3	94.3	1,086.3	22.3	107.5
Net Margin	(59.2%)						5.2%
Net loss attributable to equity holders of the Company	(1,156.6)	45.6	25.3	95.5	1,086.3	(2.7)	93.5
Net margin attributable to equity holders of the Company	(58.7%)						4.7%

Notes:

- (1) Refers to one-off expenses related to issuance of convertible bonds in 2020 and 2021
- (2) Refers to amortisation resulting from acquisition. This includes amortisation of intangible assets from cost of sales of RMB15.2 million and from selling and distribution expenses of RMB22.6 million

## Liquidity and Financial Resources

We fund our cash requirements principally from proceeds from our business operations, bank borrowings, other debt financing and shareholder equity contribution. As of December 31, 2021, we had cash and cash equivalents of approximately RMB3,809.1 million.

The following table sets forth our gearing ratios as of December 31, 2021 and December 31, 2020, respectively.

	<b>As of December 31,</b>	2020
	<b>2021</b>	
	<i>RMB'000</i>	
Net debt/(cash)	<b>(694,536)</b>	737,345
Total equity	<b>4,213,818</b>	1,252,490
Total capital	<b>3,519,282</b>	1,989,835
Net debt to equity ratio	<b>N/A</b>	37%



As of December 31, 2021, we had bank loan of approximately RMB745 million. The table below sets forth our mainly short-term bank loans:

<b>Bank</b>	<b>Loan Balance RMB</b>	<b>Loan Period</b>	<b>Interest Rate (per annum unless otherwise stated)</b>
<b>Short-term bank loans</b>			
Bank of Shanghai (Puxi Branch)	50,000,000.00	1 year	4.50%
	50,000,000.00	1 year	4.50%
	50,000,000.00	1 year	4.50%
	50,000,000.00	1 year	4.50%
China CITIC Bank (Waitan Branch)	50,000,000.00	1 year	4.35%
	100,000,000.00	1 year	4.35%
Shanghai Rural Commercial Bank (Songnan Branch)	100,000,000.00	1 year	4.58%
SPD Silican Valley Bank	80,000,000.00	half a year	4.40%
	33,000,000.00	half a year	4.40%
	32,000,000.00	half a year	4.40%
Bank of Communication (Shanghai Baoshan Branch)	50,000,000.00	half a year	3.85%
	50,000,000.00	half a year	3.85%
<b>Letter of Credit</b>			
Bank of Ningbo (Shanghai Jinqiao Branch)	50,000,000.00	1 year	3.45%

### Capital Expenditures

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

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

	<b>As of December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<i>(RMB in millions)</i>	
Fixed assets	<b>47.7</b>	15.0
Intangible assets	<b>331.7</b>	161.5
<b>Total</b>	<b><u>379.4</u></b>	<b><u>176.5</u></b>

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

There were no significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the year ended December 31, 2021. Apart from those disclosed in this announcement, there were no material investments or additions of capital assets authorised by the Board as at the date of this announcement.

### **Pledge of Assets**

As of December 31, 2021, we did not pledge any of our assets.

### **Foreign Exchange Risk Management**

We mainly carry out our operations in the PRC with most transactions settled in Renminbi, and we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and the Hong Kong dollar. Therefore, foreign exchange risk primarily arose from our recognized assets and liabilities when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas business partners. In 2021, we did not adopt any long-term contracts, currency borrowings or other means to hedge our foreign currency exposure.

### **Contingent Liabilities**

As of December 31, 2021, we did not have any material contingent liabilities.

### **Employees**

As of December 31, 2021, we had 8,562 full-time employees, the majority of whom are based in Shanghai, China.

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

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

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

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the year ended December 31, 2021

	Note	Year ended December 31	
		2021 RMB'000	2020 RMB'000
<b>Revenue</b>	4	<b>2,685,686</b>	1,968,814
Cost of sales	5	(1,169,211)	(966,195)
<b>Gross profit</b>		<b>1,516,475</b>	1,002,619
Selling and distribution expenses	5	(1,714,774)	(919,372)
General and administrative expenses	5	(811,446)	(260,723)
Net impairment losses on financial assets		(83,116)	(8,597)
Other income	6	131,053	118,200
Other gains, net	7	200,747	76,870
<b>Operating (loss)/gain</b>		<b>(761,061)</b>	8,997
Finance costs	8	(91,133)	(55,722)
Finance income	9	15,563	12,376
Share of net profit/(loss) of associates accounted for using the equity method		6,991	(23,408)
Change in fair value of convertible bonds		(14,690)	(1,086,310)
<b>Loss before income tax</b>		<b>(844,330)</b>	(1,144,067)
Income tax expenses	10	(8,913)	(22,312)
<b>Loss for the year</b>		<b>(853,243)</b>	(1,166,379)
<b>Loss attributable to:</b>			
– Equity holders of the Company		(783,023)	(1,156,622)
– Non-controlling interests		(70,220)	(9,757)
		<b>(853,243)</b>	(1,166,379)
<b>Other comprehensive loss, net of tax</b>			
<i>Items that may not be subsequently reclassified to profit or loss</i>			
Change in fair value of financial liabilities from own credit risk		4,864	–
<i>Items that may be subsequently reclassified to profit and loss</i>			
Currency translation differences		(12,285)	–
<b>Total comprehensive loss for the year</b>		<b>(860,664)</b>	(1,166,379)
<b>Total comprehensive loss attributable to:</b>			
– Equity holders of the Company		(790,444)	(1,156,622)
– Non-controlling interests		(70,220)	(9,757)
		<b>(860,664)</b>	(1,166,379)
<b>Loss per share (expressed in RMB per share)</b>			
– Basic loss per share	12	(0.33)	(0.52)
– Diluted loss per share	12	(0.33)	(0.52)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

		As at December 31	
		2021	2020
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		87,959	63,645
Right-of-use assets		266,584	114,229
Investment properties		34,940	32,401
Intangible assets		1,229,798	1,015,779
Development costs		51,253	38,701
Deferred income tax assets		25,087	44,370
Contract acquisition cost		44,979	40,841
Investments accounted for using the equity method		57,433	47,033
Financial assets at fair value through profit or loss		1,064,574	215,094
Prepayments, deposits and other assets	13	21,174	4,087
Other non-current assets		35,217	17,000
<b>Total non-current assets</b>		<b>2,918,998</b>	<b>1,633,180</b>
<b>Current assets</b>			
Trade and notes receivables	14	361,468	239,478
Contract acquisition cost		88,649	156,746
Prepayments, deposits and other assets	13	1,609,247	1,758,204
Financial assets at fair value through profit or loss		458,297	182,328
Financial assets at fair value through other comprehensive income		190,298	44,834
Derivative financial instruments		–	15,468
Restricted cash		535	–
Cash and cash equivalents		3,809,069	1,823,976
<b>Total current assets</b>		<b>6,517,563</b>	<b>4,221,034</b>
<b>Total assets</b>		<b>9,436,561</b>	<b>5,854,214</b>

	<b>As at December 31</b>	
	<b>2021</b>	<b>2020</b>
<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to equity holders of the Company</b>		
Share capital	1,716	1,529
Treasury shares	–	–
Shares held for RSU scheme	(1,928)	(15,819)
Share premium	7,549,147	4,278,775
Equity component of convertible bonds	366,482	–
Other reserves	(962,933)	(1,106,251)
Accumulated losses	(2,889,011)	(2,110,217)
	<u>4,063,473</u>	<u>1,048,017</u>
<b>Non-controlling interests</b>	<u>150,345</u>	<u>204,473</u>
<b>Total equity</b>	<u><u>4,213,818</u></u>	<u><u>1,252,490</u></u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bank borrowings	–	40,000
Financial liabilities measured at fair value through profit or loss	538,029	1,947,553
Financial liabilities measured at amortised cost	1,561,499	–
Lease liabilities	177,267	71,260
Contract liabilities	90,875	105,098
Deferred income tax liabilities	56,726	67,188
Other non-current liabilities	5,406	600
<b>Total non-current liabilities</b>	<u>2,429,802</u>	<u>2,231,699</u>
<b>Current liabilities</b>		
Bank borrowings	745,000	425,050
Lease liabilities	93,273	31,093
Trade and other payables	1,637,017	1,490,440
Contract liabilities	316,505	376,256
Current income tax liabilities	1,146	821
Financial liabilities measured at fair value through profit or loss	–	46,365
<b>Total current liabilities</b>	<u>2,792,941</u>	<u>2,370,025</u>
<b>Total liabilities</b>	<u><u>5,222,743</u></u>	<u><u>4,601,724</u></u>
<b>Total equity and liabilities</b>	<u><u>9,436,561</u></u>	<u><u>5,854,214</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021

	Attributable to equity holders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Equity component of convertible bonds RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at January 1, 2021		1,529	4,278,775	(15,819)	-	(1,106,251)	(2,110,217)	1,048,017	204,473	1,252,490
<b>Comprehensive loss</b>										
Loss for the year		-	-	-	-	-	(783,023)	(783,023)	(70,220)	(853,243)
Currency translation differences		-	-	-	-	(12,285)	-	(12,285)	-	(12,285)
Change in fair value of financial liabilities from own credit risk		-	-	-	-	4,864	-	4,864	-	4,864
<b>Total comprehensive loss for the year</b>		-	-	-	-	(7,421)	(783,023)	(790,444)	(70,220)	(860,664)
Transfer of realized fair value changes that were initially recorded in other comprehensive income to retained earnings		-	-	-	-	(4,229)	4,229	-	-	-
<b>Transaction with owners</b>										
Issuance of ordinary shares	99	1,916,595	-	-	-	-	1,916,694	-	-	1,916,694
Share issuance costs	-	(19,950)	-	-	-	-	(19,950)	-	-	(19,950)
Issuance of ordinary shares for share-based compensation	24	-	(24)	-	-	-	-	-	-	-
Cancellation of buy-back shares	(24)	(336,704)	-	-	-	-	(336,728)	-	-	(336,728)
Conversion of convertible bonds	88	1,710,431	-	-	-	-	1,710,519	-	-	1,710,519
Recognition of equity component of convertible bonds	-	-	-	366,482	-	-	366,482	-	-	366,482
Transfer of vested RSUs	-	-	13,915	-	(13,915)	-	-	-	-	-
Share-based compensation expenses for employees	-	-	-	-	164,935	-	164,935	9,028	-	173,963
Capital injection from non-controlling interests	-	-	-	-	-	-	-	7,000	-	7,000
Transaction with non-controlling interests	-	-	-	-	3,948	-	3,948	(3,948)	-	-
Non-controlling interests from acquisition of a subsidiary	-	-	-	-	-	-	-	4,012	-	4,012
<b>Transactions with owners in their capacity for the year</b>		187	3,270,372	13,891	366,482	154,968	-	3,805,900	16,092	3,821,992
As at December 31, 2021		1,716	7,549,147	(1,928)	366,482	(962,933)	(2,889,011)	4,063,473	150,345	4,213,818



Note	Attributable to equity holders of the Company							Non-controlling interests	Total
	Share capital	Share premium	Treasury shares	Shares held for RSU scheme	Other reserves	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at January 1, 2020</b>	1,531	4,171,056	(63,143)	(38,582)	(1,127,164)	(953,595)	1,990,103	(295)	1,989,808
<b>Comprehensive loss</b>									
Loss for the year	-	-	-	-	-	(1,156,622)	(1,156,622)	(9,757)	(1,166,379)
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	(1,156,622)	(1,156,622)	(9,757)	(1,166,379)
<b>Transaction with owners</b>									
Cancellation of buy-back shares	(14)	(63,129)	63,143	-	-	-	-	-	-
Conversion of convertible bonds	12	170,848	-	-	-	-	170,860	-	170,860
Transfer of vested RSUs	-	-	-	22,763	(22,763)	-	-	-	-
Share-based compensation expenses for employees	-	-	-	-	42,544	-	42,544	3,071	45,615
Capital injection from non-controlling interests	-	-	-	-	-	-	-	1,000	1,000
Transaction with non-controlling interests	-	-	-	-	1,132	-	1,132	(1,132)	-
Non-controlling interests from acquisition of subsidiaries	-	-	-	-	-	-	-	211,586	211,586
<b>Transactions with owners in their capacity for the year</b>	(2)	107,719	63,143	22,763	20,913	-	214,536	214,525	429,061
<b>As at December 31, 2020</b>	1,529	4,278,775	-	(15,819)	(1,106,251)	(2,110,217)	1,048,017	204,473	1,252,490

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended December 31, 2021

	Note	Year ended December 31	
		2021 RMB'000	2020 RMB'000
<b>Cash flows from operating activities</b>			
Cash used in operations		(614,642)	(24,592)
Interest received	9	15,563	12,376
Interest paid		(75,311)	(33,630)
Income tax paid		(799)	(2,059)
		<u>(675,189)</u>	<u>(47,905)</u>
<b>Net cash used in operating activities</b>			
<b>Cash flows from investing activities</b>			
Receipt from term deposits		–	393,000
Purchase of investments measured at fair value through profit or loss		(1,478,884)	(110,900)
Proceeds from disposals of investments measured at fair value through profit or loss		794,919	–
Proceeds from disposals of investments in an associate		321	–
Interest received from term deposits and loan to third parties		–	5,590
Payment to invest in associates		(22,500)	(4,000)
Payment for acquisition of subsidiaries, net of cash acquired		(27,081)	(210,151)
Prepayment for equity investment		(35,217)	–
Receipt of dividends from an associate		19,091	–
Purchase of property, plant and equipment		(46,389)	(14,133)
Proceeds from disposal of property, plant and equipment		1,831	123
Purchase of intangible assets		(1,318)	(195)
Payment for development cost		(331,029)	(156,314)
Loan to third parties		–	(8,400)
Loan to related parties		(110,169)	(24,000)
Principal repayment of loan from third parties		–	22,600
Principal repayment of loan from a related party		4,000	–
		<u>(1,232,425)</u>	<u>(106,780)</u>
<b>Net cash used in investing activities</b>			

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	<b>1,916,694</b>	–
Transaction costs of share issuance	<b>(19,950)</b>	–
Proceeds from issuance of convertible bonds	<b>1,929,930</b>	1,064,040
Issuance costs of convertible bonds at amortised cost	<b>(40,297)</b>	(23,754)
Buy-back of shares	<b>(336,728)</b>	–
Proceeds from bank borrowings	<b>1,251,000</b>	610,000
Repayments of bank borrowings	<b>(971,050)</b>	(450,128)
Proceeds from financial liabilities measured at fair value through profit or loss	<b>345,000</b>	–
Borrowing from third parties	<b>2,500</b>	2,500
Settlement of financial liabilities measured at fair value through profit or loss	<b>(19,787)</b>	–
Principal elements of lease payments	<b>(54,436)</b>	(25,880)
Redemption of preferred shares in subsidiaries	<b>(29,934)</b>	(11,110)
Acquisition of equity interests from non-controlling interests	–	(3,080)
Capital injection from non-controlling interests	<b>7,000</b>	1,000
Cash incentives related to convertible bonds conversion	<b>(41,151)</b>	–
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>3,938,791</b>	1,163,588
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>2,031,177</b>	1,008,903
Effect on exchange rate difference	<b>(46,084)</b>	(55,255)
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,823,976</b>	870,328
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>	<b>3,809,069</b>	1,823,976
	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended December 31, 2021*

## 1 GENERAL INFORMATION

Weimob Inc. (the “Company”) was incorporated in the Cayman Islands on January 30, 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the “Group”), are principally engaged in providing leading digital commerce and media services for merchants in the People’s Republic of China (the “PRC”). The Group offers digital commerce services to merchants including software as a service (“SaaS”) products offering, customised software development, software related services, online marketing support services and in-depth operation and marketing services etc. The Group also offers digital media services by providing advertisement placement service.

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

These consolidated financial statements are presented in Renminbi (“RMB”) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 28, 2022.

## 2 BASIS OF PREPARATION

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

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

### **New and amended standards adopted by the Group**

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2021:

- Interest Rate Benchmark Reform – amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## New standards and interpretations not yet adopted

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on January 1, 2021 and have not been early adopted by the Group:

	<b>New standards, amendments and interpretations</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to HKFRS 16	COVID-19 related rent concessions beyond June 30, 2021	April 1, 2021
Annual improvements Project	Annual Improvements to HKFRS Standards 2018-2020	January 1, 2022
Amendments to HKFRS 3, HKAS 16, and HKAS 37	Narrow-scope amendments (amendments)	January 1, 2022
Accounting guideline 5 (revised)	Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations	January 1, 2022
Amendments to HKAS 37	Onerous Contracts – Cost of fulfilling a contract	January 1, 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	January 1, 2022
Amendments to HKFRS 16	Property, Plant and Equipment – Proceeds before intended use	January 1, 2022
Amendments to HKAS 1	Classification of liabilities as current or non-current	January 1, 2023
HKFRS 17	Insurance contract (new standard and amendments)	January 1, 2023
Amendments to HKAS 8	Definition of accounting estimates	January 1, 2023
Hong Kong Interpretation 5 (2020)	Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause	January 1, 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023
Amendments to HKFRS 4	Extension of the temporary exemption from applying HKFRS 9	January 1, 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

For the amendments which are effective after January 1, 2022, the Group has assessed and concluded that it has no material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. For those amendments which have not been effective as of the report date, the Group is still assessing the likely impact of adopting the above new standards. The management of the Group plans to adopt these new standards and amendments to existing standards when they become effective.

### 3 SEGMENT INFORMATION

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

Since late 2020, the Group restructured its operating segments and enhanced its service offering by providing integrated products of SaaS and targeting marketing services, in order to better empower digital transformation for merchants through offering diverse business solution. The Group re-organized its operating segment to “Subscription solutions” and “Merchant solutions” as the core, and “Digital media” as the supplement, both in the internal reports to CODM and in the consolidated financial statements of the Group. “Subscription solutions” mainly comprise the Group’s standard cloud-hosted commerce and marketing SaaS products, customised software such as ERP solutions and other software related services. “Merchant solutions” mainly comprise value-added services offered to merchants as part of the holistic solutions to meet merchants’ online digital commerce and marketing needs, including assisting merchants to purchase online advertising traffic in various media platforms. “Digital media” mainly comprise advertisement placement services offered to certain merchants in which specified results or actions are committed. The comparative figures in the consolidated income statement and the notes have been restated to conform with the new presentation. The Board believes that the above changes in segment information better reflect the resource allocation and future business development of the Group.

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

As at December 31, 2020 and 2021, substantial majority of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.

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

	<b>Subscription solutions</b> <i>RMB'000</i>	<b>Merchant solutions</b> <i>RMB'000</i>	<b>Digital media</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
Year ended December 31, 2021				
Segment revenue	<b>1,187,826</b>	<b>779,082</b>	<b>718,778</b>	<b>2,685,686</b>
Segment cost of sales	<b>(338,924)</b>	<b>(126,481)</b>	<b>(703,806)</b>	<b>(1,169,211)</b>
Gross profit	<b><u>848,902</u></b>	<b><u>652,601</u></b>	<b><u>14,972</u></b>	<b><u>1,516,475</u></b>
Year ended December 31, 2020				
Segment revenue	622,384	528,271	818,159	1,968,814
Segment cost of sales	<u>(183,130)</u>	<u>(1,603)</u>	<u>(781,462)</u>	<u>(966,195)</u>
Gross profit	<b><u>439,254</u></b>	<b><u>526,668</u></b>	<b><u>36,697</u></b>	<b><u>1,002,619</u></b>



The following table summarized customers contributing to more than 10% of the total revenue recognized by the Group:

	<b>Year ended December 31</b>	
	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Beijing Dajia Internet Information Technology Co., Ltd. (“Dajia”)	<b>Less than 10%</b>	19.1%
Beijing Tencent Culture Media Company Limited (“Tencent”)	<b>19.0%</b>	19.0%

Except for the revenue generated from Tencent where the Group provides merchant solutions to advertisers acting as the agent of Tencent and earns rebate, and revenue generated from Dajia, where the Group provides digital media services and earns advertising service revenue, there is no concentration risk as no revenue from a single external customer was more than 10% of the Group’s total revenue for the years ended December 31, 2020 and 2021, respectively.

#### 4 REVENUE

Revenue mainly comprises of proceeds from providing subscription solutions, merchants solutions and digital media services. An analysis of the Group’s revenue by category for the years ended December 31, 2020 and 2021, is as follows:

	<b>Year ended December 31</b>	
	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Digital commerce		
– Subscription solutions	<b>1,187,826</b>	622,384
– Merchant solutions	<b>779,082</b>	528,271
	<b>1,966,908</b>	1,150,655
Digital media	<b>718,778</b>	818,159
	<b>2,685,686</b>	1,968,814

## 5 EXPENSES BY NATURE

	Year ended December 31,	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefits expenses	1,700,103	763,644
Advertising traffic cost for merchants solutions and digital media	734,317	750,504
Promotion and advertising expenses <sup>(a)</sup>	568,701	321,750
Depreciation and amortisation	196,554	94,251
Outsourced service fee	132,645	36,423
Server and SMS charges related to subscription solutions revenue	108,366	50,455
Depreciation of right-of-use assets	70,268	30,648
Utilities and office expenses sets	88,896	44,408
Travelling and entertainment expenses	46,951	24,633
Other consulting fees	22,297	11,821
Auditors' remuneration	6,067	6,302
Others	20,266	11,451
	<u>3,695,431</u>	<u>2,146,290</u>

- (a) Promotion and advertising expenses for the current year mainly consists of (i) RMB261,596,000 amortisation expenses of contract acquisition cost (2020: RMB238,070,000) and (ii) RMB298,864,000 advertising expenses, which were mainly paid and payable to Tencent and Baidu Com (Beijing) Co., Ltd. (2020: RMB57,872,000).

## 6 OTHER INCOME

	Year ended December 31,	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Super deduction of input VAT <sup>(i)</sup>	88,630	82,014
Government grants <sup>(ii)</sup>	39,661	32,528
Interest income from term deposits and loan to related and third parties	2,762	3,658
	<u>131,053</u>	<u>118,200</u>

- (i) Pursuant to the Announcement on Relevant Policies for Deepening the Value-added Tax Reform (Cai Shui Haiguan [2019] 39) jointly issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, the Group, as a service company, qualifies for additional 10% deduction of input value-added tax ("Super Deduction of input VAT") from output VAT since April 1, 2019.
- (ii) Government grants mainly represent tax refund entitlement.

## 7 OTHER GAINS, NET

	Year ended December 31	
	2021	2020
	RMB'000	RMB'000
Fair value change of non-current financial assets measured at FVPL	194,235	116,209
Fair value gain on derivative financial instruments	–	15,468
Fair value change of non-current financial liabilities measured at FVPL <sup>(i)</sup>	(21,411)	(13,679)
Realised gain from transfer equity interest of Shanghai Mengyou Network Technology Co., Ltd (“Mengyou”) to Shanghai Syoo Network Technology Co., Ltd. (“Syoo”)	–	2,000
Fair value change of current financial assets measured at FVPL	4,103	(24,144)
Gains from disposal of short-term investments measured at FVPL	3,469	–
Foreign exchange gain/(losses), net	29,363	(6,533)
Donation	(186)	(10,000)
Loss on disposals of financial assets measured at FVOCI	(10,682)	–
Fair value change of investment properties	2,539	–
Expenses related to SaaS sabotage event	–	(827)
Others, net	(683)	(1,624)
	<u>200,747</u>	<u>76,870</u>

- (i) Fair value change of non-current financial liabilities measured at FVPL for the current year mainly consists of i) RMB16,911,000 loss on variable returns attributed to venture capitals’ investment in Weizhi Shuke, and ii) RMB4,500,000 loss on fair value change of Yunxin.

## 8 FINANCE COSTS

	Year ended December 31,	
	2021	2020
	RMB'000	RMB'000
Interest expenses on liability component of 2021 Convertible bonds	51,863	–
Interest expenses on borrowings	29,451	20,324
Interest expenses on lease liabilities	9,819	4,771
Interest expenses on factoring	–	6,873
Issuance cost for 2020 convertible bonds offering	–	23,754
	<u>91,133</u>	<u>55,722</u>

## 9 FINANCE INCOME

	Year ended December 31,	
	2021	2020
	RMB'000	RMB'000
Interest income on bank deposits held for cash management purpose	<u>15,563</u>	<u>12,376</u>

## 10 TAXATION

### (a) Value added tax

The Group is mainly subject to 6% and 13% VAT, and surcharges on VAT payments according to PRC tax law. The Group enjoyed Super Deduction of input VAT since April 2019 (Note 6(i)).

### (b) Income tax

#### (i) Cayman Islands Income Tax

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

#### (ii) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax for the year ended December 31, 2021.

#### (iii) PRC Enterprise Income Tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof. The general corporate income tax rate in the PRC is 25%. Certain subsidiaries of the Group in the PRC including Weimob Development and Heading and Shanghai Heading Information Technology Co., Ltd. (“Heading Technology”) are qualified as “high and new technology enterprises” and they were subject to a preferential income tax rate of 15% from 2020 to 2023.

(iv) **PRC withholding Tax**

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. There is no provision of withholding tax made for the years ended December 31, 2020 and 2021 as majority subsidiaries incorporated in the PRC have accumulated losses as at December 31, 2020 and 2021.

	Year ended December 31,	
	2021	2020
	RMB'000	RMB'000
Current tax	1,124	233
Deferred income tax	7,789	22,079
	<u>8,913</u>	<u>22,312</u>
Income tax expenses	<u>8,913</u>	<u>22,312</u>

**11 DIVIDENDS**

No dividends have been paid or declared by the Company for the years ended December 31, 2020 and 2021.

**12 LOSS PER SHARE**

(a) **Basic**

Basic loss per share for the years ended December 31, 2020 and 2021 are calculated by dividing the loss attributable to the Company's equity holders by the weighted average number of ordinary shares and ordinary shares deemed to be in issue during the respective years.

	Year ended December 31,	
	2021	2020
Net loss attributable to the equity holders of the Company (RMB'000)	(783,023)	(1,156,622)
Weighted average numbers of ordinary shares in issue	<u>2,402,215,702</u>	<u>2,234,377,308</u>
Basic loss per share (expressed in RMB per share)	<u>(0.33)</u>	<u>(0.52)</u>

(b) **Diluted**

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

For the year ended December 31, 2020 and 2021, convertible bonds issued by the Company and restricted shares units ("RSUs") granted to employees are considered to be potential ordinary shares. As the Group incurred losses for the year ended December 31, 2020 and 2021, the dilutive potential ordinary shares of convertible bonds and RSUs were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Accordingly, diluted loss per share for the year ended December 30, 2020 and 2021 was the same as basic loss per share of the respective period.

### 13 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at December 31	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current</b>		
Deposits – third parties	15,555	4,087
Long term loan receivables due from a related party	5,619	–
	<u>21,174</u>	<u>4,087</u>
<b>Current</b>		
Other receivables in relation to payment on behalf of advertisers – third parties <sup>(i)</sup>	805,341	912,740
Prepayments for purchasing advertising traffic	580,449	665,183
Other receivables due from related parties	132,523	25,102
Recoverable value-added tax	75,047	36,142
Contract fulfillment cost	26,003	14,124
Deposits – third parties	25,011	22,155
Prepayments for contract operation service costs	9,411	8,084
Receivables in relation to value-added tax refund ( <i>Note 10</i> )	5,888	21,788
Prepayments for rent and property management fee	3,947	4,401
Other loan receivables due from third parties	3,205	8,858
Prepayments for purchasing advertising services	3,013	2,225
Prepayment to related parties	1,536	2,060
Other receivable related to SaaS sabotage event bore by executive directors	–	26,937
Prepayments to other vendors	26,027	12,390
Others	7,078	4,731
Less: provision for impairment of other receivables	(95,232)	(8,716)
	<u>1,609,247</u>	<u>1,758,204</u>

- (i) The Group usually receives advance payment from advertisers before the Group makes prepayment to the media publishers to purchase advertising traffic for the advertisers. The Group also from time to time makes prepayments to the media publishers on behalf of the advertisers without receiving advance payments from the advertisers. These prepayments on behalf of advertisers are recognised as other receivables.



## 14 TRADE AND NOTES RECEIVABLES

	As at December 31,	
	2021	2020
	RMB'000	RMB'000
Trade receivables due from third parties	333,197	231,092
Trade receivables due from related parties	17,624	12,290
Notes receivables	13,481	2,508
Less: provision for impairment of trade and notes receivables	(2,834)	(6,412)
	<u>361,468</u>	<u>239,478</u>

### (i) Impairment of trade and notes receivables

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

As at December 31, 2020 and 2021, the carrying amounts of trade and notes receivables were primarily denominated in Renminbi and approximated their fair values.

## 15 TRADE AND OTHER PAYABLES

	As at December 31,	
	2021	2020
	RMB'000	RMB'000
<b>Non-current</b>		
Loan payable to a third party <sup>(i)</sup>	2,500	–
Payable related to business acquisition	2,906	600
	<u>5,406</u>	<u>600</u>
<b>Current</b>		
Payable related to investments and business acquisitions <sup>(ii)</sup>	495,847	279,093
Advance from advertisers-third parties	477,823	507,941
Payroll and welfare payables	354,132	239,278
Trade payables for purchasing advertising traffic	134,349	322,023
Other taxes payable	73,009	64,354
Deposits	13,830	6,869
Commission payable to merchants	12,876	9,470
Amount due to related parties	12,443	11,934
Payable related to factoring cost	5,195	4,500
Auditors' remuneration accrual	4,968	4,342
Payable related to purchase non-controlling interests (current portion) <sup>(iii)</sup>	2,341	1,741
Payment received from end customers through e-commerce platform on behalf of merchants	504	9,678
Other payables and accruals	49,700	29,217
	<u>1,637,017</u>	<u>1,490,440</u>

(i) In November 2021, Heading, a subsidiary of the Group entered into unsecured interest free three-years loan agreements with an individual and borrowed RMB2,500,000 from the individual.

(ii) Payable related to investments and business acquisitions

As at December 31, 2021, payable related to investments and business acquisitions is RMB495,847,000, including payables related to investment in Xiaoke of USD36,000,000 (equivalent to RMB229,525,000), payable related to acquisition of Heading of RMB259,622,000, payable related to acquisition of Xiangminiao of RMB1,000,000 and payable related to investment in portfolio companies under Weizhi Shuke of RMB5,700,000.

(iii) Acquisition of non-controlling shareholders

During the year ended December 31, 2019, the Group acquired non-controlling interests in the Group's non-wholly owned subsidiary, Nanjing Huishuo, for total consideration of RMB3,000,000. As at December 31, 2020, RMB659,000 has been paid to non-controlling interests and remaining RMB1,741,000 and RMB600,000 were due for payment in 2021 and 2022. The Group delayed the payment of RMB1,741,000 to 2022 for certain commercial reason and agreement reached in 2021. As at December 31, 2021, the total RMB2,341,000 was recorded as "Trade and other payables".

As at December 31, 2020 and 2021, the aging of the trade payables is all within 3 months.

## 16 OTHER NON-CURRENT ASSETS

### i) Prepaid investment in Xiangxinyun

On November 9, 2021, Weimob Development entered into an agreement with the selling shareholders and Shanghai Xiangxinyun Network Technology Co., Ltd. ("Xiangxinyun") to purchase 51.89% of the total equity interests in Xiangxinyun with a total consideration of RMB221,950,000. As at December 31, 2021, the aggregate cash payment by Weimob Development of RMB35,217,000 was recorded in the non-current assets as an advance payment since the closing condition had not been fulfilled as at December 31, 2021.

In January 2022, Weimob obtained control of Xiangxinyun and Xiangxinyun became a subsidiary of the Group (Note 17).

The management is of the review that there is no impairment indicator for the advance payment as at December 31, 2020 and 2021.

## 17 SUBSEQUENT EVENTS

Save as acquisition for Xiangxinyun disclosed in Note 16, the Group did not have any material subsequent events as of date of report.

## ISSUE OF THE 2021 CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated May 25, 2021 and June 7, 2021, respectively. On June 7, 2021, Weimob Investment Limited (the “**Bond Issuer**”), a wholly owned subsidiary of the Company, completed the issue of convertible bonds (the “**2021 Convertible Bonds**”) in an aggregate principal amount of US\$300,000,000 with the guarantee provided by the Company. The last closing share price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the trading day on which the subscription agreement was signed (i.e. May 24, 2021) was HK\$16.06 per share, and the initial conversion price is HK\$21.00 per share. Based on such initial conversion price and assuming full conversion of the 2021 Convertible Bonds at the initial conversion price, the 2021 Convertible Bonds will be convertible into a maximum of 110,914,285 new shares. The gross proceeds from the issue of the 2021 Convertible Bonds were US\$300 million. The net proceeds from the issue of the 2021 Convertible Bonds were approximately US\$293.6 million. For more information on the use of such net proceeds, see “Use of Proceeds from Top-up Placing, Issue of the 2020 Convertible Bonds, Placing and Issue of the 2021 Convertible Bonds” below. Based on such net proceeds and assuming the full conversion of the 2021 Convertible Bonds, the net price per new share will be approximately HK\$20.57.

The 2021 Convertible Bonds have been offered and sold to no less than six independent places (who are independent individual, corporate and/or institutional investors). The 2021 Convertible Bonds were listed on the Stock Exchange on June 8, 2021. In light of the continued digitalization transformation of businesses in China and given the current macroeconomic situation, the Company believes that the issue of the 2021 Convertible Bonds provides additional capital to (i) continuously improve and deepen the Company’s SaaS technology, thus maintaining its market leading position and (ii) comprehensively optimise and enhance its targeted marketing system to strengthen its leadership in smart retail. The Directors consider the issue of the 2021 Convertible Bonds is an appropriate means of raising additional capital since (i) it can provide the Company with additional funds at lower funding cost for the said purposes; (ii) it will not have an immediate dilution effect on the shareholding of the existing shareholders of the Company; and (iii) in the event that the 2021 Convertible Bonds are converted into new shares, the Company can improve its capital base, benefiting the long-term development of the Company.

## PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Reference is made to the announcements of the Company dated May 25, 2021 and June 1, 2021, respectively. On June 1, 2021, the Company completed the placing of a total of 156,000,000 new shares of the Company (the “**Placing**”). The last closing share price of the shares of the Company as quoted on the Stock Exchange on the trading day on which the placing agreement was signed (i.e. May 24, 2021) was HK\$16.06 per share, and the placing price was HK\$15.00 per share. The gross proceeds from the Placing were approximately HK\$2,340.0 million. The net proceeds from the Placing were approximately HK\$2,315.6 million. For more information on the use of such net proceeds, see “Use of Proceeds from Top-up Placing, Issue of the 2020 Convertible Bonds, Placing and Issue of the 2021 Convertible Bonds” below.

The new shares were placed to not less than six professional investors who, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, together with their respective ultimate beneficial owners, are independent third parties. None of the places and their ultimate beneficial owners become a substantial shareholder of the Company as a result of the Placing. The Placing was undertaken to strengthen the Company's financial position and supplement the Group's long term funding of its expansion and growth plan. The intended use of proceeds was in line with the Company's strategic focus on enhancing its technological advantages and strengthening its leadership in targeted marketing. The Directors consider that the Placing will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

## **USE OF PROCEEDS FROM TOP-UP PLACING, ISSUE OF THE 2020 CONVERTIBLE BONDS, PLACING AND ISSUE OF THE 2021 CONVERTIBLE BONDS**

In August 2019, the Company completed the top-up placing of 255,000,000 new Shares and raised net proceeds of approximately HK\$1,157.1 million. As of December 31, 2021, the Company had fully utilized the net proceeds as intended. The table below sets out the details of actual usage of the net proceeds as of December 31, 2021:

<b>Use of proceeds</b>	<b>Net proceeds utilized up to December 31, 2021 (HK\$ million)</b>	<b>Unutilized net proceeds as of December 31, 2021 (HK\$ million)</b>	<b>Expected timeline of full utilization</b>
Pursuing strategic cooperation and potential investment and acquisition	745.3	–	Not applicable
Supporting the post-acquisition integration and operations	411.8	–	Not applicable

In May 2020, the Bond Issuer completed the issue of convertible bonds (the “**2020 Convertible Bonds**”), and raised net proceeds of approximately US\$146.6 million. As of December 31, 2021, the Company had utilized US\$110.6 million as intended. The table below sets out the details of actual usage of the net proceeds as of December 31, 2021:

<b>Use of proceeds</b>	<b>Net proceeds utilized up to December 31, 2021 (US\$ million)</b>	<b>Unutilized net proceeds as of December 31, 2021 (US\$ million)</b>	<b>Expected timeline of full utilization</b>
Improving the Group's comprehensive research and development capabilities which mainly includes purchasing hardware equipment and paying employees' remuneration	44.2	14.4	By December 31, 2022
Upgrading the Group's marketing system	22.1	7.2	By December 31, 2022
Establishing industry funds	27.7	9	By December 31, 2022
Supplementing working capital	16.6	5.4	By December 31, 2022

In June 2021, the Company completed the placing of 156,000,000 new shares and raised net proceeds of approximately HK\$2,315.6 million. As of December 31, 2021, the Company had not utilized such proceeds. As disclosed in the announcement of the Company dated May 25, 2021, the Company will apply the net proceeds for improving the Group's comprehensive research and development capabilities, upgrading the Group's marketing system, supplementing capital for potential strategic investment and merger and acquisition and working capital and general corporate purposes. The Company intends to fully utilize the net proceeds by December 31, 2023.

In June 2021, the Bond Issuer completed the issue of the 2021 Convertible Bonds and raised net proceeds of approximately US\$293.6 million. As of December 31, 2021, the Company had not utilized such proceeds. As disclosed in the announcement of the Company dated May 25, 2021, the Company will apply the net proceeds for improving the Group's comprehensive research and development capabilities, upgrading the Group's marketing system, supplementing working capital and general corporate purposes. The Company intends to fully utilize the net proceeds by December 31, 2023.

The expected timeline for fully utilizing net proceeds is based on the best estimation of the future market conditions made by the Company. It may be subject to change based on the current and future development of market conditions.

## **FINAL DIVIDEND**

The Board did not recommend the payment of a final dividend for the year ended December 31, 2021.

## **CORPORATE GOVERNANCE**

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

During the year ended December 31, 2021, the Company has complied with all the applicable code provisions under the Corporate Governance Code with the exception for the deviation from code provision C.2.1 (previous code provision A.2.1) of the Corporate Governance Code.

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

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

## MODEL CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that he has complied with the required standards as set out in the Model Code during the year ended December 31, 2021.

## SUBSEQUENT EVENT

Save as disclosed in this announcement, there are no material subsequent events undertaken by the Group after December 31, 2021 and up to the date of this announcement.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

During the year ended December 31, 2021, the Company has purchased a total of 35,459,000 Shares on the Stock Exchange with an aggregate amount of HK\$405,326,364.9, pursuant to the share buy-back mandate approved by our shareholders at the annual general meeting held on June 29, 2021. The bought-back Shares were subsequently cancelled. Details of shares purchased during the year ended December 31, 2021 are set out as follows:

Month of repurchases	Number of shares purchased on the Stock Exchange	Price paid per share		Aggregate consideration paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
August 2021	4,660,000	10.96	10.40	49,831,240.0
September 2021	17,224,000	12.98	10.82	202,778,381.0
October 2021	7,481,000	13.06	10.88	89,782,903.9
November 2021	6,094,000	11.98	9.66	62,933,840.0

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities during the year ended December 31, 2021.

## AUDIT COMMITTEE

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

The Audit Committee has, together with the senior management of the Company and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group as well as the audited consolidated financial statements of the Group for the year ended December 31, 2021.



## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated statement of comprehensive loss and consolidated statement of financial position and the related notes thereto for the year ended December 31, 2021 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

## **PUBLICATION OF ANNUAL RESULTS AND 2021 ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.weimob.com](http://www.weimob.com)). The annual report of the Company for the year ended December 31, 2021 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the above websites in due course.

By Order of the Board

**Weimob Inc.**

**SUN Taoyong**

*Chairman of the Board and Chief Executive Officer*

Shanghai, the PRC  
March 30, 2022

*As at the date of this announcement, the Board comprises Mr. Sun Taoyong, Mr. Fang Tongshu, Mr. You Fengchun and Mr. Huang Junwei as executive Directors; and Mr. Sun Mingchun, Mr. Li Xufu and Mr. Tang Wei as independent non-executive Directors.*