Mobvista

2023
ANNUAL REPORT

匯量科技有限公司

Mobvista Inc.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1860

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. DUAN Wei *(Chairman)*
Mr. CAO Xiaohuan
(Chief Executive Officer)
Mr. FANG Zikai
Mr. SONG Xiaofei

Non-executive Director

Mr. WONG Tak-Wai

Independent Non-executive Directors

Mr. SUN Hongbin
Ms. CHEUNG Ho Ling Honnus
Mr. WONG Ka Fai Jimmy

COMPANY SECRETARY

Ms. LEE Angel Pui Shan

AUTHORISED REPRESENTATIVES

Mr. CAO Xiaohuan
Ms. LEE Angel Pui Shan

AUDIT COMMITTEE

Mr. SUN Hongbin *(Chairman)*
Ms. CHEUNG Ho Ling Honnus
Mr. WONG Ka Fai Jimmy

REMUNERATION COMMITTEE

Mr. WONG Ka Fai Jimmy
(Chairman)
Mr. CAO Xiaohuan
Ms. CHEUNG Ho Ling Honnus

NOMINATION COMMITTEE

Mr. DUAN Wei *(Chairman)*
Ms. CHEUNG Ho Ling Honnus
Mr. WONG Ka Fai Jimmy

AUDITOR

KPMG
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Hong Kong

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Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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Hong Kong

STOCK CODE

01860

COMPANY'S WEBSITE

www.mobvista.com

FIVE-YEAR FINANCIAL SUMMARY

	For the Year Ended 31 December				
	2023 US$'000	2022 US$'000	2021 US$'000	2020 US$'000	2019 US$'000
Revenue	**1,054,092**	894,405	755,412	516,148	500,257
Gross profit	**217,291**	177,029	121,922	82,140	118,763
Profit/(loss) for the year	**18,588**	10,190	(24,764)	(5,206)	22,069
Non-IFRS measures					
Adjusted EBITDA(1)	**105,270**	36,135	23,533	21,544	51,620
Adjusted net profit/(loss)(2)	**19,120**	9,699	(3,945)	8,979	40,951

Notes:

(1) Adjusted EBITDA is not an IFRS measure. We define adjusted EBITDA as EBITDA (which is profit/(loss) from operations plus depreciation and amortization expenses, which is not an IFRS measure) for the Reporting Period adjusted by adding back or deducting share-based compensation expenses, investment gain/(loss) from financial assets at fair value through profit or loss, restructuring expenses of the research and development ("**R&D**") team, attorney expenses of acquisition of Reyun Data, foreign exchange loss and gain on disposal of subsidiaries and top media agency business.

(2) Adjusted net profit is not an IFRS measure. We define adjusted net profit/(loss) as profit/(loss) for the Reporting Period adjusted by adding back or deducting share-based compensation expenses, investment gain/(loss) from financial assets at fair value through profit or loss and gain/(loss) from change in fair value of derivative financial liabilities.

	As at 31 December				
	2023 US$'000	2022 US$'000	2021 US$'000	2020 US$'000	2019 US$'000
Current assets	**400,204**	315,874	482,642	395,544	444,132
Non-current assets	**291,347**	286,200	264,326	102,062	67,353
Current liabilities	**356,563**	311,235	349,531	220,574	238,998
Non-current liabilities	**75,878**	42,800	38,079	9,230	6,447
Total equity attributable to equity shareholders of the Company	**250,092**	235,403	336,804	267,802	266,040
Non-controlling interests	**9,018**	12,636	22,554	—	—

FINANCIAL HIGHLIGHTS

	For the Year Ended 31 December		
	2023 US$'000	2022 US$'000	YoY Change
Revenue	1,054,092	894,405	17.9%
Net Revenue(1)	284,204	224,717	26.5%
Gross profit	217,291	177,029	22.7%
Profit for the year	18,588	10,190	82.4%
Non-IFRS measures			
Adjusted EBITDA(2)	105,270	36,135	191.3%
Adjusted Net Profit(3)	19,120	9,699	97.1%

Notes:

(1) The net revenue is not an IFRS measure. We define net revenue as revenue adjusted by deducting cost distributed to the traffic publishers.

(2) Adjusted EBITDA is not an IFRS measure. We define adjusted EBITDA as EBITDA (which is profit from operations plus depreciation and amortization expenses, which is not an IFRS measure) for the Reporting Period adjusted by adding back or deducting share-based compensation expenses, investment gain/(loss) from financial assets at fair value through profit or loss, restructuring expenses of R&D team, attorney expenses of acquisition of Reyun Data, foreign exchange loss and gain on disposal of subsidiaries and top media agency business.

(3) Adjusted net profit is not an IFRS measure. We define adjusted net profit as profit for the Reporting Period adjusted by adding back or deducting share-based compensation expenses, investment gain/(loss) from financial assets at fair value through profit or loss and gain from change in fair value of derivative financial liabilities.

To our shareholders:

Let's revisit the three organizational mission iterations of Mobvista:

2013: To share with every globe user the contents and services of universal quality and standard
2018: Be the Bridge
2023: Growth Hub

When we started our journey, our ambition was to create a comprehensive app distribution network capable of bringing exceptional apps to users worldwide, especially focusing on the emerging markets in Asia that were rapidly entering the mobile internet phase. Transitioning into 2018, we became acutely aware of the vast differences between Eastern and Western markets and aimed to help developers on both sides overcome the cognitive gap, while gradually expanding our business network to cover both mature and emerging markets globally. By 2023, shifting our perspective from the market to our core value as a third-party technology platform, we focused on assisting resource-limited small and medium-sized developers with growth. By the end of 2023, the number of apps integrating the Mintegral SDK quadrupled that of the beginning of 2022, predominantly driven by small and medium-sized developers.

Becoming a Growth Hub for developers is challenging, involving numerous capabilities and significant time iterating on product details and even educating developers to adjust their workflow. Mobvista's business is divided into Ad-tech and Mar-tech, with the latter experiencing continuous losses in recent years. In 2023, the advertising business achieved a record-high profit, with segment profits reaching US$51.11 million. However, the Mar-tech business incurred a loss of US$19.89 million, which financially seems impractical. The journey from a fast company benefiting from global mobile traffic to diving into the deep end of enterprise services reflects our commitment to creating long-term value for developers, earning recognition and trust from small and medium-sized developers. In a market valued at hundreds of billions of dollars, we are confident about long-term profitability. It's a change of business philosophy.

In 2023, Mobvista's Ad-tech businesses experienced consistent growth, buoyed by Mintegral's infrastructure upgrades in 2022. Last year marked a significant milestone in Mintegral's capability enhancement, with the algorithm engine starting to dynamically select potential users based on developers' expected returns. This intelligent bidding mode, known as "ROAS" (Return On Ad Spend), quickly became the go-to option for developers utilizing Mintegral, setting the stage for the platform's ascent to new performance records in 2024. Furthermore, Mintegral's strategy of identifying and leveraging the varying value of traffic and strategic computing resource allocation significantly reduced infrastructure costs in the latter half of the year and substantially boosted the platform's efficiency.

In 2023, although generative AI hasn't yet revolutionized the consumer market with a breakthrough "iPhone moment", it has made a notable impact in the B2B space. Starting in early 2023, we integrated LLMs (Large Language Models) into our software development, creating a "DevOps Copilot" system for internal engineers to simplify and automate the entire software development workflow. After three quarters of use, our users were able to produce over 90 lines of effective code daily, nearly half the output of an average engineer, marking a tenfold increase since the beginning of the year. Meanwhile, software bugs were reduced by 50%, and the MTTR (Mean Time To Repair) dropped to one-sixth of its previous duration, significantly enhancing Mobvista's productivity and product quality.

2023 marks the beginning of Mobvista's second decade, and from a shareholder's perspective, we are fully confident in enlarging the leverage of the Company's operations and entering a trajectory of scalable profitability. More importantly, our commitment lies in continued investment to establish a Growth Hub for small and medium-sized developers globally, simply accelerating their growth process.

Regards,

Cao Xiaohuan
Co-founder and Chief Executive Officer of Mobvista

I. Company Overview

We are a technology service company committed to providing global customers (particularly Chinese customers aiming for global expansion) with advertising technology services and marketing technology services required to develop the mobile internet ecosystem.

Through our one-stop advertising platforms and SaaS tooling matrix, mobile application ("**App(s)**") developers can easily, quickly, and efficiently undertake full spectrum marketing activities to promote and monetize their Apps. Our platform and technology can significantly improve our customers' marketing return on investment ("**ROI**").

II. Industry Overview

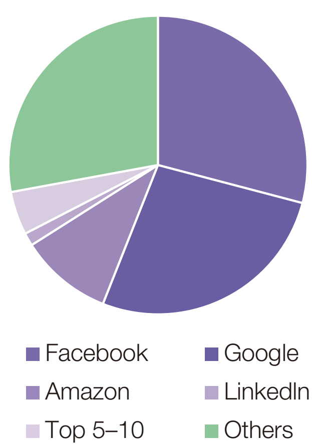
Since 2023, central banks across Europe and the United States have been compelled to implement a rapid interest rate hike monetary policy in response to inflation. As interest rates rise, the level of inflation has somewhat decreased. Simultaneously, major economies in Europe and the United States have exhibited significant resilience, enhancing the probability of achieving a manageable economic slowdown, often referred to as a "soft landing". The global advertising market has shown overall stability and growth. Top media platforms such as Google and Meta have performed impressively, outpacing market expectations with their year-on-year growth. In the prevailing climate of sustained high-interest rates, advertisers within the app install market are pressing for expedited product return cycles and enhanced efficacy from performance advertising. Consequently, this has placed greater demands on advertising algorithms to perform more precisely and efficiently. With the alleviation of the pandemic, China's domestic advertising market has shown a remarkable recovery from its previous slump. Simultaneously, the Chinese government and investors continue prioritizing and encouraging expansion into overseas markets. In May 2023, six departments, including the Ministry of Commerce, put forward a directive advocating for a cultural "global outreach". This led to the launch of the "Thousand Sails Going Global" action plan, an initiative to foster trade cooperation, advance the growth of critical sectors in cultural trade, and catalyze the internationalization of Chinese culture.

2.1. The overall advertising market in Europe and America is stable with a slight upward trend, and privacy protection and anti-trust measures are becoming the new normal in the industry

In Europe and the United States, strict anti-trust and privacy legislation underpin fairness and transparency within the advertising industry. On 6 March 2024, the European Union's Digital Markets Act (DMA) came into full effect, imposing regulatory requirements on the first batch of designated "gatekeepers". The DMA targets the reduction of large technology companies' dominance in the EU's digital market, striving to ensure a balanced and open competitive arena. It focuses on major platforms that exercise considerable control over crucial market entry points, such as app stores, impacting a vast number of consumers and advertisers. These entities are now mandated to modify their practices regarding data management and ad placements. For advertisers, the DMA looks to foster innovation and expand options for more effective and compliant engagement with target audiences through emerging advertising technologies and platforms. It can be foreseen that regulatory institutions in Europe and America, as third-party regulators, will adopt stricter attitudes and measures to balance the internet economy ecosystem. In the long run, these anti-monopoly measures are beneficial for fostering a healthy competitive environment in the entire advertising market and stimulating technological advancements among smaller platforms.

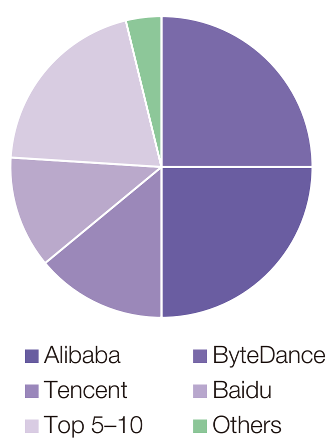
The composition of traffic varies between domestic and international markets, with international markets valuing medium and long-tail traffic more highly. Overseas advertising channels are mainly classified into top media advertising (represented by Google and Meta) and third-party advertising technology platforms targeting medium and long-tail traffic. While Chinese media has strong leading effects (CR10 (concentration rate)=96.2%), overseas marketing channels (take the US market as an example) only have a CR10 of 72.1%, and their medium and long-tail traffic entail a relatively high value for advertising. Therefore, Mobvista's traffic side is primarily focused on overseas markets.

Figure 1: Market share of the United States mobile advertising operators in 2023



Data Source: eMarketer

Figure 2: Market share of Chinese online advertising operators in 2023



Data Source: Interactive Marketing Laboratory in Zhongguancun

2.2. The resilient mobile application market has driven an increase in customer acquisition and monetization demands

The competition in the mobile application ecosystem has intensified, while the in-app advertising market remains resilient. In 2023, global app downloads on iOS and Google Play reached 257 billion, showing a year-on-year growth of 1%. The entertainment and social networking app categories experienced strong growth, indicating overall stability and growth in the industry. The "Apps development, user acquisition and monetization" of mobile applications has always been a challenge for mobile app developers, especially with the increasing difficulty of acquiring users amidst the continuous growth in mobile app supply. As of 23 February 2024, there were over 5.37 million available applications on iOS and Google Play combined. Faced with such a massive supply, developers' demand for advertising placements continues to rise. Furthermore, the growing focus on commercial monetization drives the rapid development of the in-app advertising market. According to the "2024 Mobile Market Report" released by Data.ai, as users spend more time on mobile apps, global mobile user spending increased by 3% in 2023. Emerging markets like South Korea, Brazil, Mexico, and Turkey saw a 25% year-on-year growth, coinciding with Mobvista's strategic focus and rapid growth in these regions. The increased user engagement and spending in the mobile market also contributed to the development of the mobile advertising market in 2023. Mobile ad spending reached US$362 billion in 2023, showing an 8% year-on-year growth, and it is expected to surpass US$400 billion in 2024. The compound annual growth rate (CAGR) of the industry for the five-year period from 2019 to 2024 is projected to be 16.2%.

2.3. The trend of Chinese Apps going global shows no signs of diminishing

International advertising service providers offer the necessary tools for Chinese Apps to achieve global expansion. China-to-global's digital advertising market size is expected to exceed US$50 billion. With the disappearance of the demographic dividend in the Chinese market, globalization has become necessary for Chinese companies to reach their next growth phase. As shown from the "Copy From China" model adopted by traditional internet companies to the "Born Global" trend, globalization is vital for the new emerging technology companies. According to the "2023 China Enterprise Overseas Confidence Report" published by BeyondClick, 87.6% of surveyed companies exhibited a positive attitude towards expanding their overseas business. As Chinese Apps go global, advertising service providers will benefit most from the transition, and the global expansion trend exhibited by Chinese companies in sectors such as gaming and e-commerce remains robust. In the gaming sector, although competition among overseas developers is increasingly fierce, and the difficulty and operational costs of international expansion are increasing, however, from a long-term perspective, the gaming industry is moving towards a direction of refinement and scalability, and the positive trend of Chinese games expanding their global footprint remains unchanged.

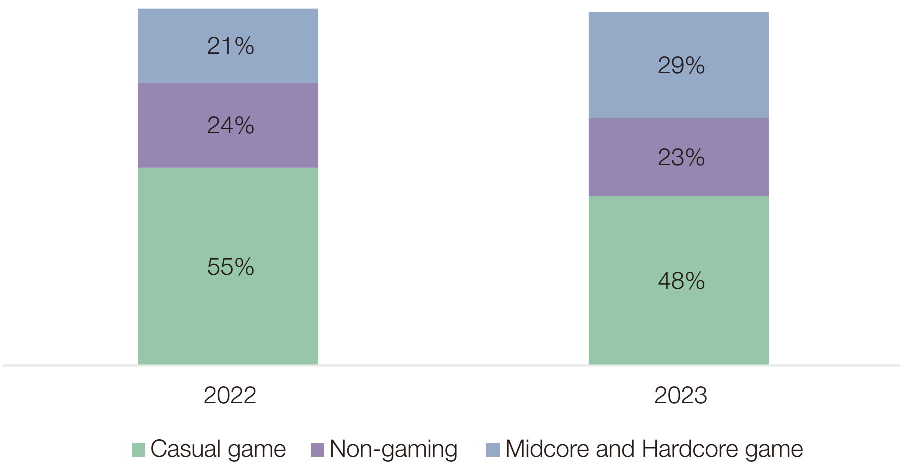
In December 2023, the National Press and Publication Administration of China issued the "Regulations on the Management of Online Games (Draft for Soliciting Opinions)", in which Article 51 explicitly encourages international cooperation. It encourages online game publishing and operating units to explore overseas markets, enhance international cooperation in online games, promote international cultural exchange, and enhance the international influence of Chinese culture. We expect that China's outbound expansion will embark on a new journey, and programmatic advertising platforms will usher in a historic era of development. Mintegral has established strong business relationships with App developers seeking global expansion and a sound reputation in the industry due to their insightful outlook in the Chinese market and rich experience working with Chinese App developers. Furthermore, there is a growing consensus in the advertising industry that programmatic advertising is the future. With a more mature and large-scale traffic network built in overseas markets, as well as the continuous accumulation of algorithms, data and industry insights, top programmatic advertising platforms that aim to link the world, represented by Mintegral, will continue to benefit from the dramatic growth of the industry and their economies of scale, laying the foundation of their global expansion.

2.4. The rising trend of adopting hybrid monetization strategies has led to heightened demand for sophisticated advertising algorithms

According to the "State of Mobile Gaming 2023" report issued by Sensor Tower, a hybrid monetization strategy has become the mainstream trend for some top-grossing mobile games worldwide, enabling revenue growth and long-term profitability. Since 2023, game developers have become more cautious in their operations and expansion due to macroeconomic factors, emphasizing the importance of maintaining stable cash flows. The single-model monetization approach is gradually failing to meet developers' revenue goals. Under the traditional business model, casual games with simple gameplay have limited in-app purchase ("**IAP**") scenarios, making in-app advertising ("**IAA**") the prevailing monetization method. On the other hand, midcore and hardcore games focus more on long-term operations, requiring a balance between monetization efficiency and user experience. Within hybrid monetization, developers strategically incorporate both IAA and IAP, thereby maximizing each method's unique advantages. There is a gradual introduction of IAP monetization tactics into casual games with straightforward gameplay and an expansion in the range of IAA in the more intricate midcore and hardcore games.

For Mintegral, casual games that primarily rely on IAA have been foundational to its business and it has established a strong competitive advantage in this category. As hybrid monetization trends evolve, we are witnessing an escalating demand for our advanced algorithmic solutions. This surge is driven by the need for our platform to provide insights predicated on post-install user behaviors. Commencing in the latter half of 2021, we have made considerable investments in constructing an intelligent bidding system. Significant strides were achieved in this area in the fourth quarter of 2022. While sustaining our industry-leading position in casual games, we are simultaneously expanding our reach into both midcore and hardcore gaming genres, where the proportion of IAP revenue is more substantial, adapting to the evolving landscape of hybrid monetization models. The share of midcore and hardcore game revenue to Mintegral's total revenue has risen from 21% in 2022 to 29% in 2023.

Figure 3: Mintegral revenue share by vertical category, 2022–2023



III. The Ad-tech industry ecosystem and the Company's strategic structure

Generally, advertising technology ("**Ad-tech**") is categorized as programmatic advertising and non-programmatic advertising. Programmatic advertising platforms rely on machine learning and algorithm iteration to improve their transaction efficiency, and such technology will be the future of the Ad-tech industry. The Company focuses on programmatic advertising transactions through the Mintegral platform. After years of development, Mintegral has become one of the top third-party programmatic advertising platforms in the world and the main revenue contributor of Mobvista.

3.1. The programmatic advertising platform ecosystem

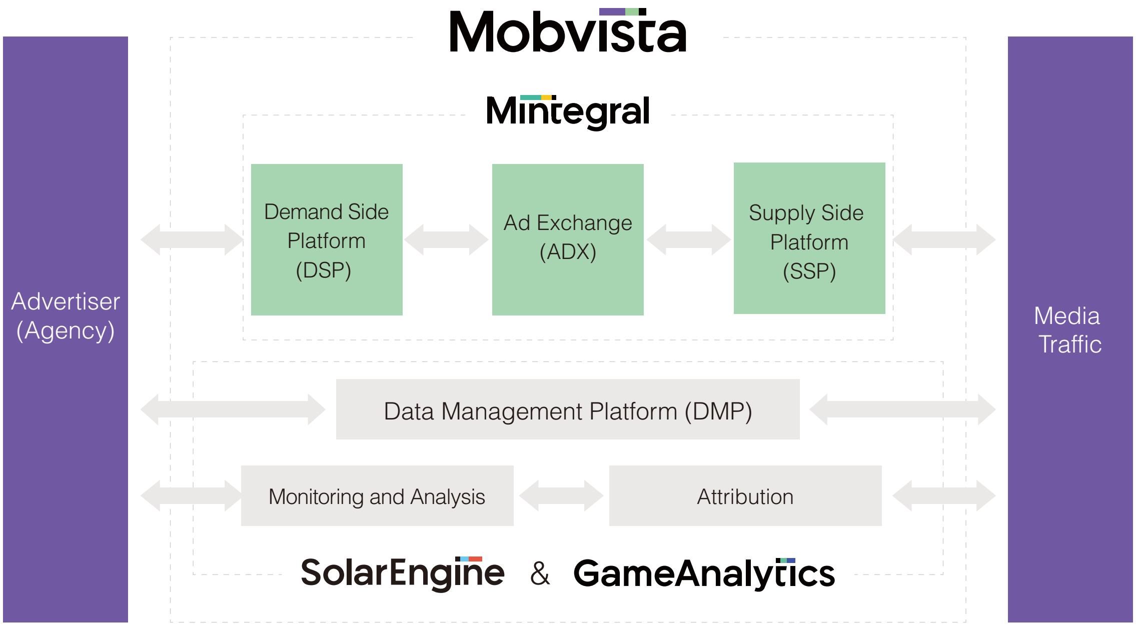
Platforms in the programmatic advertising ecosystem can be categorized into upstream, midstream, and downstream: 1) upstream participants are advertisers (agencies); 2) midstream participants are Ad-tech service providers, including Demand Side Platform ("**DSP**"), Ad Exchange ("**ADX**") and Supply Side Platform ("**SSP**"), data management service providers, monitoring and analytics service providers, and attribution service providers; 3) downstream participants are media traffic providers, behind whom are end-users. The Ad-tech providers, with their industry insights, take advantage of their competitiveness in the ecosystem to plan strategically in one or even more segments of the ecosystem.

3.2. The programmatic advertising platform of the Company

As the leading third-party advertising technology platform, the Company has established footing within the DSP, ADX, and SSP segments through its core Mintegral platform. Through complete coverage of the midstream ecosystem, Mintegral works directly with both advertisers and traffic publishers. Some of our customers are also our traffic publishers; this cooperation deepens our relationship with our client base. Closed-loop data optimizes our algorithm, resulting in a higher customer retention rate and more bargaining power in the ecosystem.

In addition, the Company conducts statistical analysis of user behavior through the GameAnalytics platform while providing attribution services and monitoring the analytics of performance-based ads through SolarEngine. The Company provides multiple marketing tools to upstream advertisers and mines its data assets to optimize and iterate its algorithms.

Figure 4: The strategic planning of Mobvista in the programmatic advertising industry chain

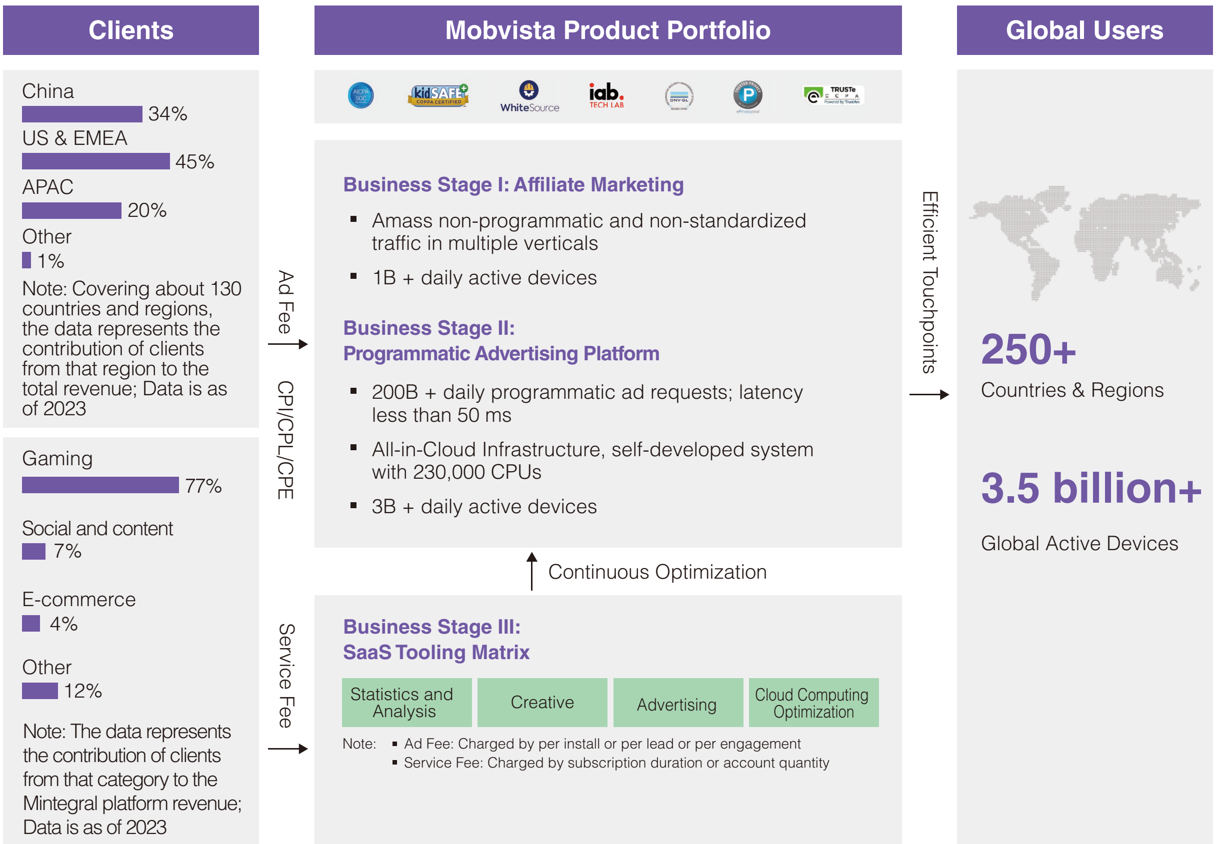


Source: Mobvista Inc.

IV. Stages of the Company's development

From the Company's initial formation in 2013 until now, the global mobile internet has undergone evolutionary change and iteration. We started our affiliate marketing business in the early stage of our development. Afterward, we launched our programmatic advertising platform and commenced our strategic investment in our SaaS tooling ecosystem. These three stages are fundamental steps of the Company's growth, each with a different strategic goal that connects and deepens our businesses.

Figure 5: Three stages of Mobvista's development



Data Source: Mobvista Inc.

4.1. First stage: Affiliate marketing that focuses on the globalization of Chinese Apps

When we started our business in 2013, we aspired to become a promoter and connector of globalization. We built one of the very first ad networks in China for the globalization of Chinese Apps, helping our clients acquire users globally. The Company has branded its non-programmatic advertising business, which is performance-based and covers both Chinese and overseas traffic across all channels, to provide intelligent advertising, creative materials, and Key Opinion Leader ("**KOL**") marketing services to our customers. We established our business network in the European & American markets, which marked the first stage of growth of the Company. Affiliate marketing is the original business of Mobvista, and after years of development, it still maintains a leading position in the industry.

4.2. Second stage: Programmatic advertising platform — "Glocal strategy" to expand to overseas markets

With the rapid growth of the mobile internet, the overseas mobile applications ecosystem has become increasingly fragmented. App developers are facing challenges with user acquisition and traffic monetization. They need a platform aggregating global traffic, especially medium and long-tail traffic, to help them reach global users at scale, growing both users and revenues. In the meantime, because of its transparency, high efficiency, and intelligence, programmatic advertising is popular among top App developers.

We launched Mintegral, our AI-driven programmatic advertising platform, in 2015 to facilitate clients to connect to global users in an automated and scalable manner. While helping Chinese clients expand their business to overseas markets, we also help overseas clients to grow their businesses in the Chinese market. Our programmatic advertising platform covering global traffic and customers marked the second stage of growth of the Company.

The Mintegral platform is our Ad-tech business's core platform, which has been the centerpiece of our strategic development since its inception. Unlike the operational approach of non-programmatic advertising, Mintegral provides programmatic advertising that improves user experience in advertising services, platform connections, real-time bidding, and traffic conversions. Under the programmatic advertising model, advertisers utilize digital platforms to select the parameters for user matching. The platform will automatically purchase traffic and launch campaigns, calculating ROI from real-time feedback through clickthrough rate and user personas to achieve workflow automation from ad content creation, advertising campaigns, and attribution, significantly improving advertising efficiency. Long-tail App traffic amassed by Mintegral can also reach advertisers quickly and efficiently to monetize their traffic. We are proud to announce that some of our traffic providers are also our customers, which helps Mintegral to leverage closed-loop data. Along with business growth, Mintegral has become one of the top global advertising platforms.

At present, Mintegral has helped more than 10,000 top advertisers and 100,000 top Apps worldwide to acquire quality users in European, American, and Asia-Pacific markets, with more than 200 billion daily advertising requests.

4.3. Third stage: SaaS Tooling Matrix — achieve business growth with "Ad-tech + Mar-tech" integration

After Ad-tech platforms help clients achieve their user acquisition and monetization goals, they also need marketing technology ("**Mar-tech**") to understand their data and optimize their marketing strategies to achieve high-quality growth. We acquired GameAnalytics to strengthen our competitiveness in gaming App advertising in 2016. GameAnalytics is a platform that focuses on players' analytics and provides real-time data analysis of players from all mainstream gaming engines and operating systems, enhancing our competitiveness within gaming App advertising.

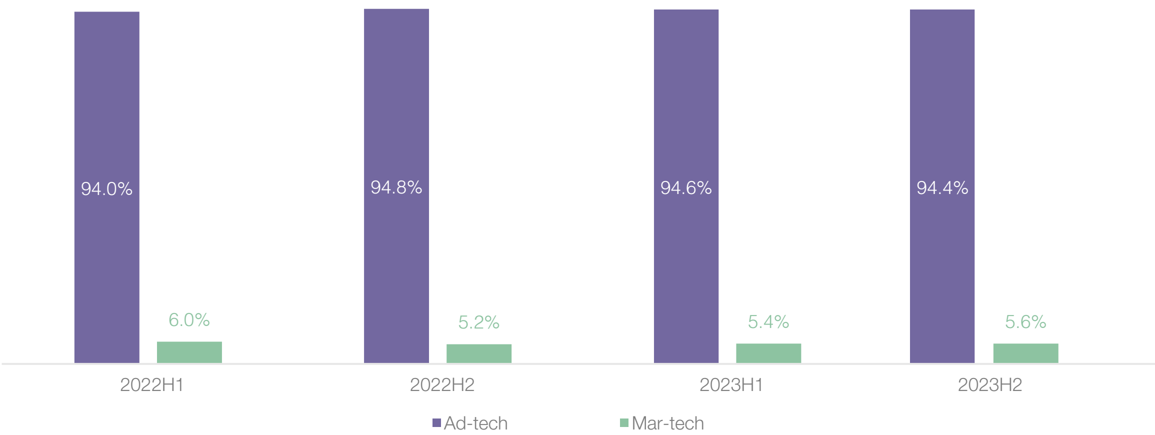
Starting from 2019, we put forth our "SaaS Tooling Matrix" strategy: We will create a complete tooling matrix by integrating our Ad-tech and Mar-tech capabilities. This matrix will cover the different stages of growth for developers, from statistical analysis, user growth, monetization, and operating efficiency refinement to cloud infrastructure cost optimization.

As the marketing technology product matrix gradually matures, we will further strengthen our domestic traffic expansion and technological competitiveness. While assisting overseas clients in expanding into the Chinese market, we will also promote our products in international markets, thus empowering Chinese enterprises to go global. By strategically positioning in both the Chinese and global markets, Mobvista has become the first company in the world that can provide complete solutions covering both the Chinese and overseas markets.

V. Business Modules

Our revenue comes from the Ad-tech segment centered around Mintegral, as well as the Mar-tech segment. Among these, the Ad-tech business is structured based on gross advertising revenue (including the cost paid to traffic publishers). Considering that the net revenue (i.e. gross revenue minus the cost paid to traffic publishers) adopted by Ad-tech is more comparable to that of Mar-tech, the following figure shows the revenue proportion of the two in terms of net revenue. The net revenue of Ad-tech accounts for more than 90% of the total net revenue, and Mar-tech is still in the early stages of refining its products, and we anticipate a sustained increase in the proportion of net revenue from Mar-tech in the future.

Figure 6: Net revenue share of Ad-tech vs. Mar-tech (from 2022H1 to 2023H2)



Data Source: Mobvista Inc.

5.1. Ad-tech: Mintegral, the programmatic advertising platform

5.1.1 Business Review

The Mintegral platform is a world-leading programmatic advertising technology platform that aggregates traffic from a large number of fragmented Apps. It provides advertisers with programmatic advertising and traffic monetization services.

5.1.2 Business Model

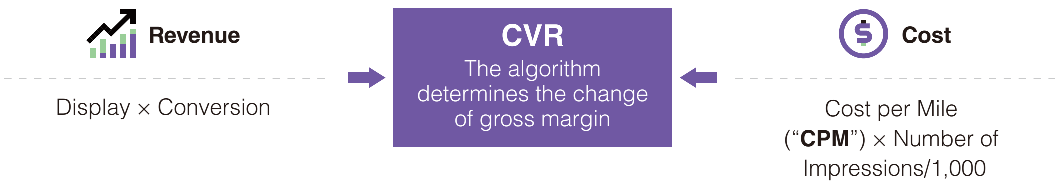
From the perspective of revenue, we charge customers performance-based advertising fees; that is, fees based on negotiated performance KPIs such as the number of users that download the App, the number of installs or registrations of an App followed by certain actions by users, such as ensuring users will be retained for three days, etc.

From the perspective of cost, we purchase advertising resources from traffic owners or administrators to display ads for our customers. The fee is usually settled with traffic publishers by the number of impressions. It is worth noting that the acquisition of advertising resources is in real-time, so we do not assume resources risk of advertising.

Our costs also include cloud computing resources costs, namely, server costs.

We settle with our customers and traffic owners or administrators with bank transfer within one month after we confirm the transaction amount. For relatively small-sized new customers, prepayment is required. We may extend the standard payment terms by one to two more weeks for a small number of large customers. In terms of cloud computing costs, all the terms of our contracts exceed three months. Unlike an advertising agency, Mintegral does not need to pay in advance. As its business continues to grow, Mintegral will enjoy even better terms with its customers and vendors.

Figure 7: Business model diagram



Source: Mobvista Inc.

From the perspective of gross profit, our gross profit primarily depends on the cost of servers and resources associated with the platform algorithm. With increasing scale and optimizing cloud resources and unit price, we can continue reducing our server costs. Regarding the algorithm of the platform, we expect to see improving efficiency as data throughput increases which could improve our gross margins in the future.

5.1.3 Customer Distribution

From the perspective of customer region distribution, Mintegral's customers are located in Europe, the Middle East and Africa ("**EMEA**"), China, Asia-Pacific (including Australia, New Zealand, and other major Asian countries excluding China), the Americas and other regions, distributed in about 130 countries and regions around the world.

In terms of the types of customers, during the Reporting Period, Mintegral's main customers were casual game customers, whose revenue accounted for 48.3% of Mintegral's platform revenue. In recent years, the Group is actively expanding to customers of midcore and hardcore games, e-commerce, and other categories and the proportion of non-casual game customers has continued to increase.

5.1.4 *Traffic Distribution*

From the perspective of traffic region distribution, the traffic reached by the Mintegral platform spreads across EMEA, China, Asia-Pacific (including Australia, New Zealand, and other major Asian countries excluding China), the Americas and other regions, distributed in more than 250 countries and regions around the world, and primarily distributed outside of China in the overseas areas.

From the perspective of cumulative number of devices reached during the Reporting Period, 97.3% were from overseas regions outside of China, and 2.7% were from China; from the perspective of accumulated impressions, 96.9% were from overseas regions outside of China, and 3.1% were from China.

From the perspective of traffic types, during the Reporting Period, Mintegral's main traffic category was casual game. It also had traffic in utility, social and content, and lifestyle categories.

5.1.5 *Competitive Landscape*

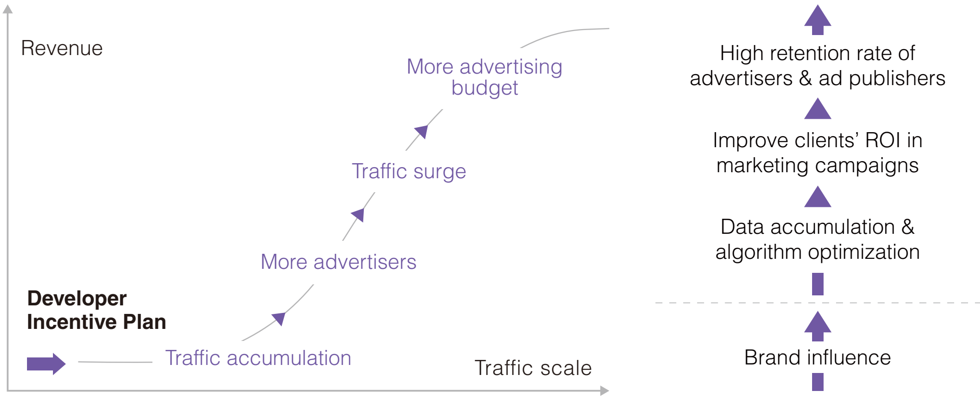
If we categorize mobile device traffic into two types — top media traffic from sources like Meta/Google and more dispersed traffic from medium to long-tail apps — then a third-party Ad-tech platform such as Mintegral primarily serves to bridge these segmented medium and long-tail channels through its programmatic trading platform. The programmatic advertising transaction method can create a strong platform effect and scale effect. It will become the dominant participant in monetizing medium and long-tail traffic in the future. Therefore, Mintegral's primary competitors include third-party programmatic advertising platforms represented by AppLovin, Unity Ads and the advertising network platforms of leading internet companies represented by Google AdMob, Pangle, and Meta Audience Network. Overall, Mintegral has a unique competitive advantage despite a large number of players in the industry.

5.1.5.1 *Consistently enhancing our core strengths*

Benefiting from the Company's initial non-programmatic advertising business, the Mintegral platform has rapidly accumulated a large number of customers, especially China-to-Global customers. On the traffic side, it attracted a large amount of high-quality traffic through its developer incentive plan and quickly entered the European and American game developer ecosystem by acquiring GameAnalytics, forming a scaled traffic ecosystem.

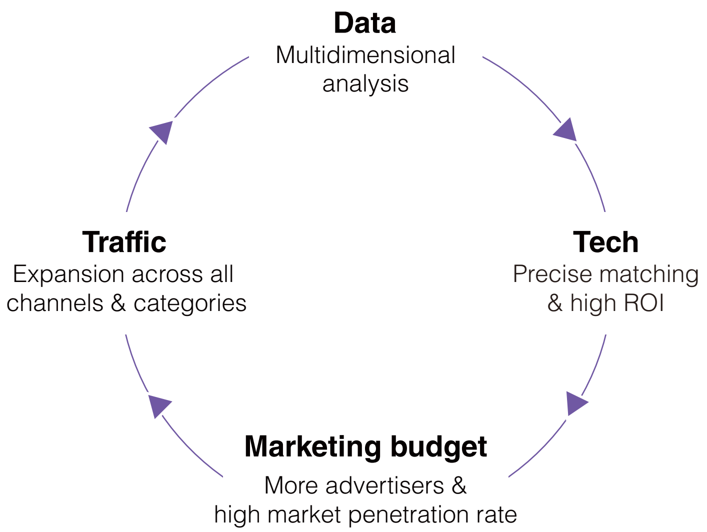
Typically, mobile application developers will only choose limited (generally 5–8) SDK plug-ins from advertising platforms to integrate into their mobile applications. Since the compliance and stability of SDK can affect the stability and user experience of mobile applications, replacing an SDK requires re-coding and updating the version of mobile applications on the user side. Therefore, replacement cost is relatively high after integrating a certain SDK. At the same time, after accumulating certain supply-side traffic as a cumulative advantage, Mintegral has advantages in algorithm iteration, model training, industry insight, etc., which can effectively improve the ROI of advertisers. Higher ROI encourages more advertising budget, thus forming a positive flywheel effect and a certain competitive advantage over new entrants.

Figure 8: Consistently enhancing our core strengths



Source: Mobvista Inc.

Figure 9: The flywheel effect of Mintegral's Ad-tech business



Source: Mobvista Inc.

Currently, the Mintegral platform reaches traffic and customers all over the world. During the rolling 12 months as of 31 December 2023, Mintegral platform customers' dollar-based net expansion rate is up to 115.0%. The exceptional performance of both the traffic and customer sides proves that the Mintegral platform continues growing rapidly under the flywheel effect's influence.

5.1.5.2 *Benefiting from China's international expansion, differentiated positioning*

Since its establishment, the Company has been committed to serving Chinese App developers to expand the overseas market and has gradually established a mature traffic network in overseas markets. The huge demand for expanding business into overseas markets brings massive advertising budgets, allowing Mintegral to attract more traffic aggregation. Unlike its overseas competitors, Mintegral, with its roots in China, has considerable advantages in serving Chinese customers.

As business grows, with its massive traffic ecosystem, the Company has built its ability to serve global customers step by step, aligning with its European and American counterparts. We will continue to take advantage of the opportunities emerging in the China-to-Global wave and form a competitive advantage different to its European and American competitors.

5.1.5.3 *Continuously strengthened technical strength*

The Company's R&D team consists of personnel specializing in data science, algorithm, architecture engineering and cloud computing. Team members are mainly graduates from Cornell University, Illinois Institute of Technology, Tsinghua University, Peking University, Zhejiang University, Huazhong University of Science and Technology, Beihang University, Xi'an Jiaotong University, Sun Yat-sen University, Beijing University of Posts and Telecommunications, with doctoral and masters degrees and rich experience in related fields.

It is well-known that China is at the forefront of the global mobile internet industry and has mature experience and forward-looking judgment concerning mobile internet development. China is in a leading position compared with its European and American counterparts. In addition, leveraging Chinese engineers makes the Company's operating and management costs lower than its European and American competitors.

Benefiting from the huge supply of engineers from the Chinese mobile internet industry, we have formed a leading R&D team in the industry, consisting of data scientists, AI algorithm experts, engineering architects, and cloud experts with work experience in leading technology giants such as Amazon, Alibaba, Baidu, etc. The talent pool and technical strength enable the Company to continue to iterate in the technical fields, thereby further enhancing the Company's position and reputation in the industry. In certain fields, such as casual game, the Company has become the favourable platform for developers to promote and monetize their Apps.

5.1.5.4 *Scale effect and operating leverage*

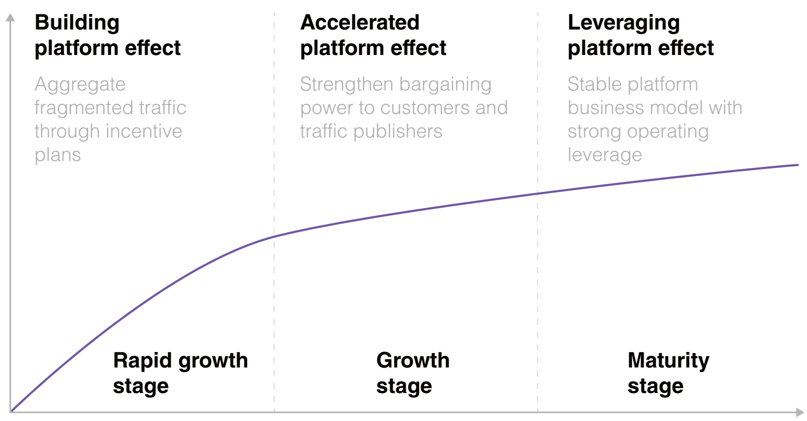
From the operational and financial perspective, the flywheel effect of the Mintegral platform means:

(1) With the industry's growing popularity, the number of new customers and the size of advertising budgets continue to rise. Existing customers' retention and net expansion rates continue to rise, and the revenue scale grows sustainably;

(2) As we continue to attract new traffic developers to access the Mintegral platform, the size of the traffic pool keeps growing, and the bargaining power of the platform continues to be strengthened with respect to App developers. Consequently, the unit traffic cost is reduced;

(3) The growth of the size of the platform and the improvement of its algorithm efficiency drive the growth of the gross profit margin of the platform;

Figure 10: The monetization model of Mintegral

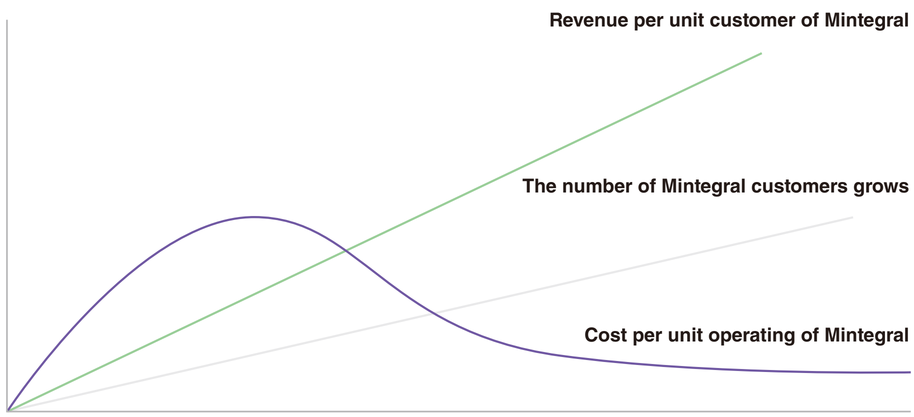


Revenue	Rapid growth	Rapid growth	Sustained growth
Gross profit	Lower	Increasing	Stable
Operating Profit		Gradual improvement	Rapid growth

Source: Mobvista Inc.

(4) As the unit cost driving the revenue growth reduces, the transaction size supported by the unit R&D expense keeps growing. The sales to expense ratio, management expense ratio and R&D to sales ratio also continue to improve. All these form obvious operating leverage.

Figure 11: Mintegral operating leverage



Source: Mobvista Inc.

5.1.6 Competitive/Cooperative Relationship With Top Media

With the development of advertising technology, customers will typically advertise initially through top media traffic and medium and long-tail traffic, then reallocate the budget based on the actual advertising performance. Even though the allocation of the budget of advertisers varies, medium and long-tail traffic still account for more than 30% of the budget in the industry, and the proportion is increasing under the influence of privacy protection and anti-trust, with the industry as a whole showing a trend of decentralization. Due to the differences in technical specialties and data sources between medium and long-tail traffic platforms and top media, developers need to constantly look for more traffic with high ROI other than top media traffic. Although Mintegral focuses on medium and long-tail traffic in the advertising campaigns to meet customers' needs for one-step delivery, it will also participate in real-time bidding of traffic managed by top media. Therefore, Mintegral also has a cooperative relationship with top media.

5.2. Ad-tech: Non-programmatic advertising platform

The non-programmatic advertising business platform is performance-oriented and covers global medium and long-tail media in the form of an advertising network, which can quickly and massively acquire users for global advertisers. The revenue model of it is to help advertisers seek high-quality and low-cost traffic non-programmatically. Hence, it can profit from the price difference between purchasing and selling traffic.

The non-programmatic advertising business is the original business of Mobvista and continues to maintain its leading role in the industry, serving as a significant source of profit for the Company. It works synergistically with Mintegral and provides customers with programmatic and non-programmatic advertising services for traffic delivery.

5.3. Mar-tech: GameAnalytics

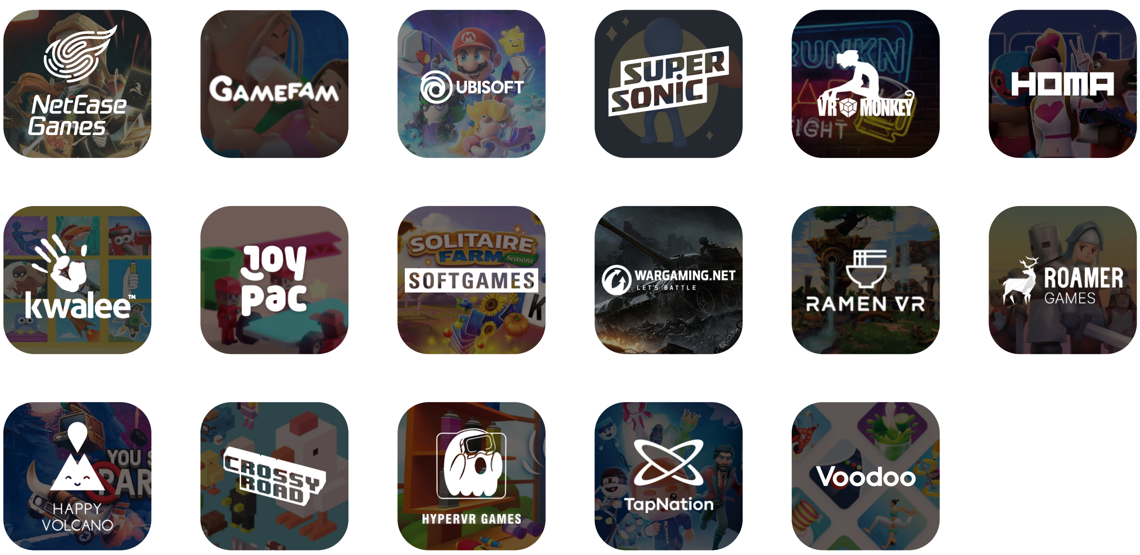
GameAnalytics is our SaaS-based in-App data statistical analysis tool. It is one of the world's largest casual and hyper-casual game data statistical analysis platforms. GA can provide game developers with in-depth analysis and insights about their products. It enables them to understand business operations in real-time, track key in-App performance indicators, and improve user engagement.

The product charges monthly subscription fees based on different automation features and data analytics dimensions, and subscription fees range from US$350 to US$3,000 per month.

Figure 12: Major customers of GA

GameAnalytics's cooperative partners

Developers



Integration partners

GA offers 30+ different integrations covering most major game engines and services

Source: Mobvista Inc.

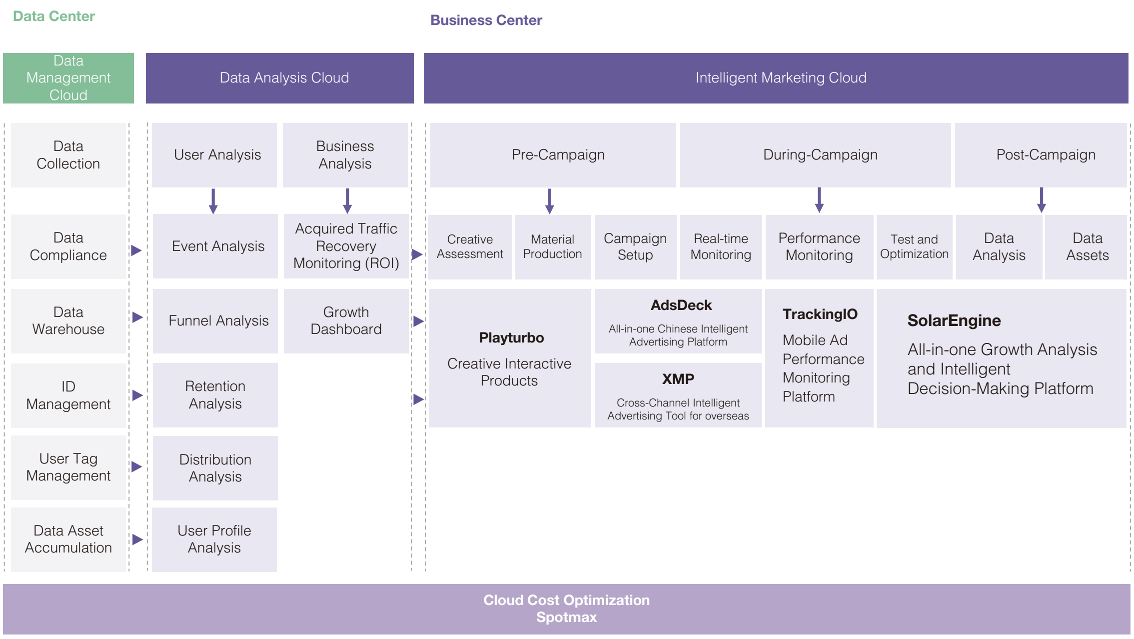
GA plays a pivotal role in reinforcing the Group's core competitive edge in game advertising. It helps the Group to reach potential game developer customers and high-quality advertising resources and improve the profile granularity of the advertising audience.

5.4. Mar-tech: SolarEngine

SolarEngine has made comprehensive product and service upgrades based on Beijing Reyun Technology Co., Ltd. ("**Reyun Data**"), a third-party platform that focuses on monitoring mobile advertising delivery and data analysis. It leverages mobile advertising monitoring as the entry point to the platform. Also, it offers data collection and mining to help customers conduct advertising delivery data analysis, data management, intelligent material analysis, cloud computing resource optimization, etc., to optimize customers' marketing activities.

SolarEngine primarily offers SaaS tools, that is, cloud-hosted software, and charges fees based on pay-per-use and subscriptions.

Figure 13: SolarEngine Product Matrix



Source: Mobvista Inc.

Figure 14: Major customers of SolarEngine and Reyun Data

During the Reporting Period, SolarEngine recorded revenue of US$13.9 million.

5.5. Business Review and Outlook

For Mintegral, 2022 was the most significant year for infrastructure building in the history of the Group. We launched a new bidding strategy on the Mintegral platform and conducted a major system overhaul of the platform, simplifying our system and improving the efficiency of model training and iteration. The financial results of 2023 serve as a testament to these enhanced underpinnings, with Mintegral witnessing consistent quarter-over-quarter growth in both revenue and profits.

Since 2023, the tide of AI has spread throughout the globe, and all enterprises are aggressively embracing AI to improve the efficiency of their operations. Mintegral has extensive experience in machine learning and an in-depth understanding of AI. Based on the system restructuring in 2022, we successfully introduced a more sophisticated traffic-related pricing model under the auspices of AI. In May 2023, we unveiled the Target ROAS smart bidding feature, which upgrades the buying model from a manual low-level installation to an advertiser ROI-focused automated bidding system, which means that the advertising budget is no longer set at a fixed price but targets a desired return rate; our system dynamically adjusts bids with each ad display, aiming to meet the advertiser's specified return goals. Since its launch, the smart bidding product has steadily increased the Group's revenue, with daily contributions nearing US$1.5 million by the end of 2023. During the Reporting Period, Mintegral's revenue increased by 18.8% compared to the last year. Meanwhile, excluding the top media agency business that was divested in March 2022, the non-programmatic advertising business revenue increased by 23.7% year-on-year during the Reporting Period and continued to contribute profits to the Ad-tech business. The net revenue of the Ad-tech business also grew by 27.8% year-on-year. In regard to cloud computing, we have continuously optimized the underlying cloud-native platform, reduced resource utilization costs by leveraging multi-cloud scheduling and introducing more advanced computing power (ARM, etc.), and applied personalized computing power technology. As a result, we successfully achieved our goal of reducing unit server costs to 5% (9% at the beginning of 2022) by the end of 2023. We believe that our Ad-tech business will continue to grow healthily as Mintegral's competitive advantages are enhanced and the benefits of scale are realized.

Regarding Mar-tech, we merged our existing team with Reyun Data's talent in 2023, to leverage the synergy and enhance operational performance. Throughout the year, our emphasis remained on refining team dynamics and crafting innovative products for international markets. Starting from the second quarter of 2023, we officially initiated the overseas expansion of new products and formed a dedicated overseas sales team to achieve better localization operations. During the Reporting Period, combined revenue from overseas clients and Chinese clients expanding abroad amounted to US$3.4 million, accounting for 21.7% of total marketing technology revenue. Overall, Mar-tech is still in the early stages of product refinement, with revenue-side growth of 23.9% compared to the last year, and overall losses further narrowing.

5.5.1 *Progress on Accessing Mintegral Traffic (Mediation)*

As of now, Mintegral has integrated with multiple mainstream aggregation platforms such as AppLovin Max, DT FairBid, and Unity, among others. Additionally, we resumed our partnership with ironSource in the fourth quarter of 2022 and integrated Google AdMob in June 2023. The integration with these mediations further enriched our traffic pool, providing advertisers with more traffic options and boosting their ROI. The continuous access to high-quality traffic has been one of the driving forces behind our revenue growth in 2023. As we further align and collaborate with mediations, we expect them to provide even greater support for our revenue growth in 2024.

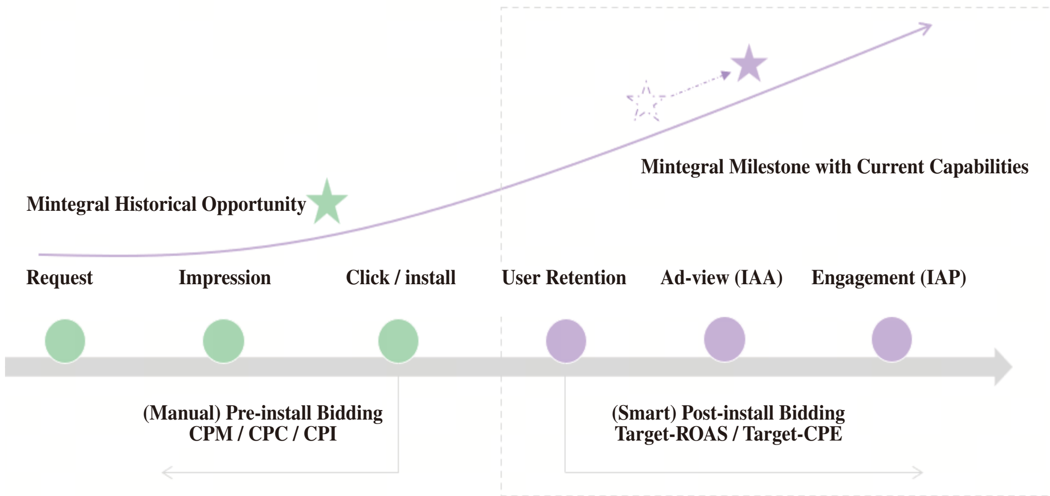
5.5.2 *Stable Revenue for Casual Games, Rapid Growth in Non-Casual Game Categories*

During the Reporting Period, the casual game category generated a revenue of US$474.0 million, representing an increase of 3.2% compared to the last year (US$459.4 million), and contributed to 48.3% of Mintegral's total revenue. During the Reporting Period, there was slow growth in revenue for the casual game category, primarily due to the industry's gradual shift towards the trend of hybrid monetization involving IAA and IAP. This trend has had some impact on the growth rate of our revenue in the casual game category. Nevertheless, Mintegral continues to maintain its leading position in the casual gaming sector. With the strengthening of Mintegral's platform capabilities, we are gradually expanding into other verticals such as midcore and hardcore games, e-commerce, and utility apps, resulting in an increasing proportion of non-casual gaming revenue. It is worth noting that the current Mintegral platform ensures strong control over profit margins across different verticals. During the Reporting Period, the entire Mintegral programmatic trading platform achieved simultaneous growth in revenue and profit.

5.5.3 *Further Refining the Intelligent Bidding System*

Due to macro-economic challenges, advertisers have become more demanding and stringent in their requirements for ROI. If we analyze the user behavior trajectory, it starts with initial access and request generation for the ad system, followed by the ad platform's bidding and winning process, which leads to exposure, user clicks, ad installation, potential retention, ad browsing (ad revenue generation), and in-App purchases. The system's bidding requirements are relatively low for shallow-level user behavior (from initial access to download), making it suitable for casual games and utility advertising. However, midcore and hardcore games and other vertical categories require an intelligent bidding product based on deep events (post-installation behavior). Since the second half of 2021, we have heavily invested in developing an intelligent bidding system. In May 2023, Mintegral officially launched the Target ROAS intelligent bidding feature. Advertisers only need to enable comprehensive data feedback to Mintegral across all channels. They can then set their IAA ROAS goals on the Mintegral self-serve platform and achieve automated delivery with the support of Mintegral's intelligent algorithm. Mintegral will continue to focus on the IAP ROAS delivery system, better catering to the intelligent delivery needs of advertisers for hybrid monetization.

Figure 15: User Behavior Trajectory Chart



VI. Medium and Long-term Development Strategy and Outlook of the Company

Future strategy: Building an ecosystem driven by Ad-tech and Mar-tech

Following our vision of "Growth Hub", we hope to shift our perspective from the market to our core value as a third-party advertising technology platform, and focus on assisting resource-limited small and medium-sized developers with growth. Mobvista's business is divided into Ad-tech and Mar-tech, Ad-tech leverages the Mintegral platform at its core, linking advertisers and traffic publishers through its programmatic platform and accumulating a large amount of advertising campaign data. Mar-tech provides various value-adding services in the form of SaaS tools, including creative optimization, comparative analysis of ROI among channels, data insight, marketing automation, cloud cost optimization, etc., in the form of SaaS tools. Ad-tech and Mar-tech not only jointly cover the entire digital marketing chain of customers but also have a strong synergy effect through data.

In the wave of globalization and digitalization, we are committed to becoming the 'Growth Hub' for developers, and help more companies, especially small and medium-sized companies, to overcome the bottleneck of digital growth. We work with companies to reach a broader global market, from promotion, monetization, and data insights to cloud architecture and cost optimization, achieving exceptional growth for our customers and Mobvista.

6.1. Continuously strengthen the competitive advantage of the Mintegral platform in the Ad-tech field

Algorithms and creativity are combined to improve product and technical strength continuously. As a programmatic platform, algorithm technology is the core driving force of Mintegral's long-term growth, especially at the intersection of algorithm and creativity, which will lead to qualitative changes in marketing performance. To better help developers achieve global growth, Mintegral combines creativity with algorithms and continuously invests in dynamic creative optimization. As each ad request filters ads, the algorithm will automatically optimize creative elements that meet the needs of different users according to the user's behavior preference. Dynamic creative optimization significantly improves user interaction and helps advertisers enhance the efficiency and quality of acquisition.

Continuously enhance algorithm capabilities and build a deep learning-based ROAS intelligent bidding system. Mintegral initially entered the programmatic advertising market from the field of casual games, and has gained an absolute advantage in the casual gaming sector after years of cultivation. As the industry trend increasingly moves towards blended monetization, Mintegral is also actively optimizing algorithmic strategies to better meet advertisers' dual monetization needs for IAA and IAP. Furthermore, Mintegral are continuously refining our ROAS intelligent bidding system to become a more certain and efficient advertising channel for advertisers. In addition to gaming, Mintegral has gradually expanded into various verticals, including e-commerce and utilities. The large amount of data samples accumulated and our rapid iteration in algorithms enable Mintegral to achieve cross-category expansion.

6.2. Comprehensively upgrade the product portfolio of Mar-tech, and enhance the service capabilities of Mobvista in Mar-tech

Enrich the product matrix, strengthen the capability to monitor advertising performance, and deliver closed-loop traffic acquisition services. After acquiring Reyun Data, the Company quickly built a more complete product matrix to achieve full-spectrum advertising services. The data from the Mar-tech system will in turn support the Mintegral platform, forming a closed loop with the internal advertising delivery business of the Company, providing feedback and facilitating optimization iterations.

Penetrate the Chinese traffic acquisition market, promote the expansion of SaaS products into overseas markets and further implement the global strategy. The Company has been deeply engaged in overseas markets for many years. Currently, 40% of the customers come from China, and 97% of the traffic (device reach) come from overseas. The acquisition of Reyun Data will help us further expand Chinese traffic, realize the globalization strategy, and become one of the few third-party service platforms worldwide to build a multi-regional traffic network at home and abroad. Our SaaS products will also expand to overseas markets, providing both Chinese and overseas customers with high-quality and cost-effective SaaS product services.

6.3. Adhere to the globalization strategy

As a third-party mobile advertising platform connecting the East and West markets, we benefit from the current wave of the China-to-Global market and invest greater energy and resources to help enterprises preparing to go overseas to enter overseas markets at a lower cost. The solutions include supporting the introduction of corresponding overseas accelerator plans; making an overseas strategy tour with industry partners to help customers understand the key points of going overseas; integrating the overseas toolkit to empower the growth and commercialization of overseas users and optimizing ROI.

At the same time, we will adhere to the globalization platform strategy, so that platform technology can better serve all markets worldwide (including China). Over the years, the Group has continuously strengthened its brand image in the Asia-Pacific region and its cooperative relationship with customers and potential customers. We are also implementing localization strategies in EMEA and the Americas to expand our market share actively. Currently, the proportion of revenue between overseas and Chinese customers is balanced, which shows our system and ability to serve global customers.

6.4. Adhere to data and privacy protections

Data and privacy protections are crucial to business development and partner relationship management in the mobile advertising industry. As a market-leading mobile advertising platform, the Group always prioritizes data security and privacy protection in our business strategies.

As opposed to using the technology commonly leveraged in the industry that completely relies on identifier for advertising ("**IDFA**") to obtain long-term interest profiles of users, our algorithms for collecting and analyzing the data of mobile internet user behavior rely primarily on contextual information rather than private customer data. We will not identify specific individuals through the collected data, nor do we associate data and information with specific individuals.

At the same time, the core business of the Group, Mintegral, open-sourced its SDK and obtained authoritative privacy certificates such as SOC2 TypeI and Type2, SOC3, ISO27001, kidSAFE+COPPA, etc., to continuously verify the effectiveness of products and technologies, build a moat for user data privacy, and protect user rights and interests.

We always insist on implementing data and privacy protections. We believe that protecting customer data is the backbone of the Company's sound corporate governance and long-term mutual trust with customers. This measure will benefit the Group in the long run.

6.5. Embracing AI

With the advent of the big data era, the combination of programmatic advertising and machine learning has become a significant trend in the digital advertising field. This trend not only provides advertisers with more precise advertising delivery tools but also introduces new strategies for optimizing advertising ROI. Programmatic advertising empowers advertisers with more accurate and real-time ad delivery capabilities through technologies like automated buying and real-time bidding. Meanwhile, machine learning can process and analyze large-scale advertising data to provide advertisers with more intelligent and precise ad delivery solutions. Mintegral capitalizes on advanced machine learning algorithms, utilizing deep analysis of user behavior and predictive modeling to deliver personalized, intelligent ad recommendations. This approach not only augments ad targeting efficiency but also enriches the advertising experience for advertisers.

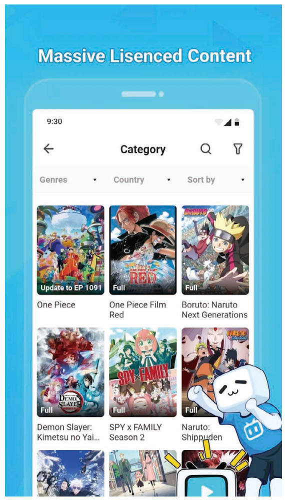
Since late 2022, the groundbreaking developments in generative AI, spurred by advancements amongst Silicon Valley tech companies, have presented an array of opportunities for the advertising industry. We have actively seized this trend and embraced the transformative power of AI. Regarding our daily research and development as well as operations, we have integrated large model technology into our existing cloud-native platform, MaxCloud, creating the development and operations ("**DevOps**") Copilot system. This advanced system streamlines and even automates various tasks in the DevOps process, encompassing the entire software development lifecycle (design, coding, testing, deployment, and maintenance), and empowering our engineering teams to deliver high-quality products with increased speed and efficiency. This innovation truly positions the underlying platform as a pivotal catalyst for business growth. As part of our Mar-tech product suite, we are utilizing LLM/AIGC to reconstruct the relevant services. The reconstructed services will assist customers in rapidly creating engaging ad creatives and launching efficient advertising campaigns. It uses historical data and performance analytics to enhance and optimize these campaigns. Looking at the entire development cycle, we have chosen assisted/automated production of ad materials as the starting point. We have introduced advanced image generation and image processing models (such as Stable Diffusion, Meta Segment Anything, etc.) into the system. Currently, we have successfully incorporated several of these features into our Playturbo ad creative production platform. Regarding advertising technology, with the support of AI, Mintegral has successfully introduced a more sophisticated traffic cost-effective model. To this end, acquiring traffic has evolved from manual bidding to intelligent bidding based on advertiser ROI.

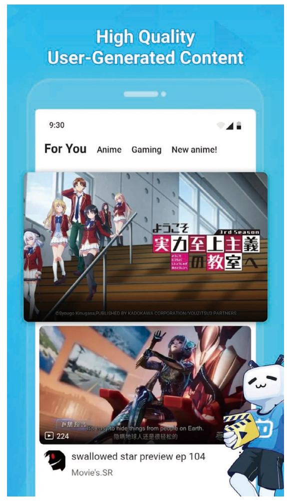
VII. Testimonials

After years of development, Mobvista has won high praises from customers for its excellent products and services:

Chinese Developer | Video Application

Bilibili is a video-sharing platform that hosts user-generated content for anyone to watch and it is also one of China's hottest emerging video platforms. It creates a high-quality content ecosystem around content, creators, and users and its content encompasses various cultures, which makes it gain widespread popularity among young users.





Testimonial from Bilibili:

Mintegral is our top monetization partner. During our journey of expanding globally, Mintegral helps us a lot in revenue growth and user retention. We will continue to maintain our deep and friendly cooperation in the future.

—— Youwei
Director of User Growth at Bilibili

HOMA

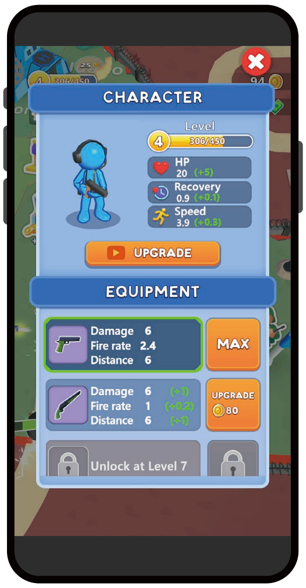
Overseas Developer | Casual Games | Hypercasual Games

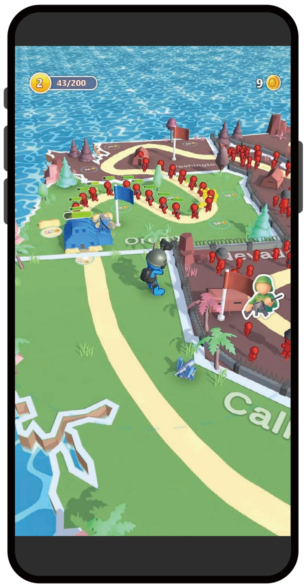
HOMA Games is a French casual game company founded in 2018. It focuses on publishing casual and hypercasual games with different gaming developers and companies. Now, HOMA Games has released more than 80 mobile games worldwide, with total global downloads surpassing 1 billion.

Testimonial from HOMA Games:

Mintegral has always been one of our strongest partners. With the launch of the Target ROAS campaign, which is maturing and improving daily, we have noticed significant incremental results on the network. With Mintegral's ongoing technological advancements in their products, we believe we'll reach even more visibility in the future.

—— SAMRAT SINGH
UA & Monetization Associate at HOMA





alictus

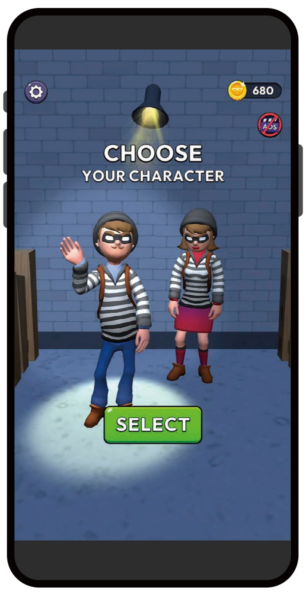
Overseas Developer | Hypercasual Games

Alictus is a Turkey-based studio acquired by Sciplay in March 2022. The studio has made waves with viral titles such as 'Fade Master', 'Rob Master', and 'Deep Clean'. Now, the total number of downloads for products under Alictus has exceeded 300 million, with nearly 20 million downloads per month.

Testimonial from Alictus:

XMP's ability to assimilate with our creative process has been transformative. Integrating with multiple formats and platforms allowed us to push boundaries and test new creative strategies efficiently. It's thrilling to see our creatives come to life through data-backed decisions, reaching audiences at scale and with impact.

—— Talha Alver
Alictus Growth Team Lead



Revenue

1. Revenue by Type of Services

Our business model consists of providing advertising services and a complementary SaaS marketing tool matrix. It is common that customers begin cooperation by leveraging one tool in our matrix, and typically engage with others over time.

For the year ended 31 December 2023, we recorded revenue of US$1,054.1 million (corresponding period in 2022: US$894.4 million), 17.9% higher on a year-over-year ("**YoY**") basis (excluding the impact of top media agency business, the YoY increase is 19.1%). Our revenue comes from the Ad-tech (advertising technology) segment which is centered around Mintegral, and the Mar-tech (marketing technology) segment.

1.1. Revenue Model

1) *Ad-tech (advertising technology) segment*

Our advertising technology business revenue typically comes from mobile internet customers, especially mobile App developers which use our platform to promote their products (Apps). Typically, we charge a fee based on the performance of the promotion, that is, an agreed fee per install or download delivered.

2) *Mar-tech (marketing technology) segment*

i. GameAnalytics

The product charges monthly subscription fees based on which automation features and data analytics dimensions are unlocked. Subscription fees range from US$350 to US$3,000 per month.

ii. SolarEngine

SolarEngine primarily offers SaaS tools, which is a cloud-hosted software that charges fees based on usage as well as subscriptions.

1.2. Principles of Revenue Recognition

1) *Ad-tech (advertising technology) segment:*

Generally, we charge customers based on the performance of the services provided to them, and are responsible for fulfilling the obligation of advertising performance delivered. Therefore, our advertising technology business revenue recognition principle is generally the gross method.

2) *Mar-tech (marketing technology) segment:*

Our Mar-tech business usually charges fees based on subscriptions or pay-per-use. During the contract period, revenue is generally recognized on a pro rata/usage basis. SpotMax business is a consumption-based business model, and we will recognize revenue from the fee charged based on the number of cloud computing resources managed by the customer through the platform.

1.3. The following table sets forth a breakdown of revenue by type of service for the periods indicated:

	For the Twelve Months Ended 31 December				
	2023		2022		
	US$'000	% of Total Revenue	US$'000	% of Total Revenue	YoY Change
Ad-tech Revenue	1,038,491	98.5%	881,813	98.6%	17.8%
Mar-tech Revenue	15,601	1.5%	12,592	1.4%	23.9%
Total	1,054,092	100.0%	894,405	100.0%	17.9%

2. Ad-tech (advertising technology) net revenue

The following table sets forth the net revenue from the advertising technology business during the periods indicated:

	2023			2022		
	2023	2023H2	2023H1	2022	2022H2	2022H1
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Advertising technology business revenue	1,038,491	539,682	498,809	881,813	432,656	449,157
— Advertising technology business net revenue[1]	268,603	139,562	129,041	212,125	107,666	104,459

Note:

(1) Net revenue is not an IFRS measure. We define net revenue as revenue adjusted by deducting cost distributed to the traffic publishers.

During the Reporting Period, the Group recorded advertising technology business revenue of US$1,038.5 million and advertising technology business net revenue of US$268.6 million.

3. Revenue from Advertising Technology by Software Platform Business Department

The following table sets forth a breakdown of revenue from advertising technology business by business department for the periods indicated:

	For the Twelve Months Ended 31 December				
	2023		2022		
	US$'000	% of Advertising Technology Business Revenue	US$'000	% of Advertising Technology Business Revenue	YoY Change
Programmatic advertising business	**980,413**	**94.4%**	825,168	93.6%	**18.8%**
Non-programmatic advertising business	**58,078**	**5.6%**	56,645	6.4%	**2.5%**
Total advertising technology business revenue	**1,038,491**	**100.0%**	881,813	100.0%	**17.8%**

During the Reporting Period, we recorded advertising technology business revenue of US$1,038.5 million (corresponding period in 2022: US$881.8 million), 17.8% higher on a YoY basis. Among them, the programmatic advertising business revenue from Mintegral platform was US$980.4 million, accounting for 94.4% of the advertising technology business revenue. Revenue from the non-programmatic advertising business was US$58.1 million, accounting for 5.6% of the advertising technology business revenue.

Benefiting from the Group's transformation strategy, the Mintegral platform revenue achieved an increase of 18.8% on a YoY basis to US$980.4 million (corresponding period in 2022: US$825.2 million). Our programmatic business centered around Mintegral lies in an industry that is growing rapidly with a relatively large addressable market. Moreover, as we have leading technology in the industry, this business is growing rapidly and brings in healthy cash flow, and is an important source of profits for the Group. As such, the Group will continue to focus on developing this business.

During the Reporting Period, the non-programmatic advertising business revenue increased YoY by 2.5% to US$58.1 million (corresponding period in 2022: US$56.6 million). The data for 2022 includes the revenue from the top media agency business in the first two months (which was officially divested in March 2022). If we exclude the impact of this business, the non-programmatic advertising revenue increased YoY by 23.7% during the Reporting Period. The non-programmatic advertising business has a good cash flow and is also a stable source of profit for the Group, and therefore, the Group will also continue to develop this business.

3.1. Main Operation and Financial Data of Mintegral

3.1.1. Main financial data

During the Reporting Period, the Mintegral platform recorded revenue of US$980.4 million (corresponding period in 2022: US$825.2 million), a YoY increase of 18.8% compared to 2022. Among them, the revenue recorded in the fourth quarter, third quarter, second quarter, and first quarter of 2023 were $257.2 million, $255.4 million, $241.8 million, and $226.1 million, respectively, representing a YoY increase of 19.5%, 28.2%, 14.8% and 13.0%, respectively.

In addition, in order to further capture market share, establish first-mover advantages and strengthen the economies of scale, the Group regards the growth of platform scale and the expansion of multiple vertical categories as medium-term strategic goals. During the Reporting Period, the results of these strategic objectives have gradually emerged.

	Mintegral Platform Business Revenue (US$'000)	**Chain Growth Rate**	**YoY Growth Rate**
2023H2	512,587	9.6%	23.7%
2023Q4	257,170	0.7%	19.5%
2023Q3	255,417	5.6%	28.2%
2023H1	467,826	12.9%	13.9%
2023Q2	241,769	7.0%	14.8%
2023Q1	226,057	5.1%	13.0%

1) **Further information on enterprise customers whose Mintegral platform revenue contribution were more than US$100,000(1)**

We define customers as subjects that generate revenue in a specific period of time.

We have counted the number of scaled enterprise customers that contributed more than US$100,000(1) in revenue in the past 12 months. These scaled enterprise customers generally contribute the majority of the revenue of the Mintegral platform. They have consistent spend and platform stickiness, which promotes the expansion of the platform scale and improves the economic leverage of the platform.

As of the rolling 12 months ended 31 December of 2022 and 2023, there were 390 and 544 scaled enterprise customers respectively that had a revenue contribution of more than US$100,000[(1)],

As the Company's brand influence continues to increase, it is gradually expanding its business to small and medium-sized customers, as a result, the contribution of enterprise customers with revenue contribution of more than US$100,000[(1)] to the total revenue has declined.

	31 December 2023	30 September 2023	30 June 2023	31 March 2023	31 December 2022	30 September 2022
The number of customers with revenue contributions of more than US$100,000[(1)]	544	493	462	421	390	361
Total revenue of customers that contributed more than US$100,000[(1)] (US$'000)	862,887	774,091	767,134	775,564	771,083	761,308
Average revenue contribution of customers that contributed more than US$100,000[(1)] (US$'000)	1,586	1,570	1,661	1,842	1,977	2,109
Proportion of Mintegral platform revenue of the customers that contributed more than US$100,000[(1)]	88.0%	82.5%	86.9%	91.1%	93.4%	95.1%
YOY change in average revenue contribution of customers with revenue contributions of more than US$100,000[(1)]	(19.8%)	(25.5%)	(27.8%)	(20.1%)	(6.0%)	19.0%

Notes:

(1) In the table and above, "more than US$100,000" means US$100,000 (including US$100,000) or more.

(2) The date indicated in the table refers to the rolling 12 months ending on the indicated date.

2) **Retention of enterprise customers whose Mintegral platform revenue contribution were more than US$100,000[(1)]**

Our customer retention rate is calculated by comparing the data of two consecutive twelve-month statistical periods to show the number of customers in the previous statistical period which are still active customers in the current period. In addition, the number of our customers may be adjusted based on acquisitions, mergers, spin-offs and other market activities.

Compared to the 12 months as of 31 December 2022, the retention rate of customers with revenue contributions of more than US$100,000[(1)] for the 12 months as of 31 December 2023 was 93.3%, and the dollar-based net expansion rate[(2)] was 115.0%.

The table below shows the overall retention situation during the specified periods:

	31 December 2023	30 September 2023	30 June 2023	31 March 2023	31 December 2022	30 September 2022
The number of retained customers[(5)] for the current period[(3)] with revenue contribution of more than US$100,000	471	430	371	355	343	307
The number of customers[(5)] for the base period[(4)] with revenue contribution of more than US$100,000	505	454	397	370	356	323
Customer retention rate with revenue contribution of more than US$100,000	93.3%	94.7%	93.5%	95.9%	96.3%	95.0%
Dollar-based net expansion rate[(2)]	115.0%	111.0%	103.6%	124.0%	125.1%	163.9%

Notes:

(1) In the table and above, "more than US$100,000" means US$100,000 (including US$100,000) or more.

(2) Dollar-based net expansion rate: (Average revenue contribution of current retained customers in the current period/Average revenue contribution of the current retained customers in the base period) * 100%.

(3) Current period: 12 months as of 31 December 2023.

(4) Base period: 12 months as of 31 December 2022.

(5) The number of customers includes the customers who during the base period were micro-sized customers, but whose revenue contribution in the current period is more than US$100,000.

3) **Enterprise customers whose Mintegral platform revenue contribution were more than US$100,000, divided by revenue scale**

We have calculated the number and revenue contribution of scaled enterprise customers whose revenue contribution was between US$100,000 and US$1 million (that is, US$1 million > revenue contribution ≥ US$100,000), between US$1 million and US$10 million (that is, US$10 million > revenue contribution ≥ US$1 million), and US$10 million or more (that is, revenue contribution ≥ US$10 million) in the past 12 months. According to the scale of the customers' revenue contribution, we define them as small-sized enterprise customer, medium-sized enterprise customer and large-sized enterprise customer. In addition, we define customers whose revenue contribution is less than US$100,000 (i.e., US$100,000 > revenue contribution > US$0) as micro-sized enterprise customer. Our medium-sized enterprise customers contribute the highest proportion of revenue, increasing from 35.1% in the same period in 2022 to 47.7%. This indicates a more stable and healthy client composition.

For the 12 months ended 31 December 2023, the number of customers including small-sized enterprise customers (US$1 million > revenue contribution ≥ US$100,000), medium-sized enterprise customers (US$10 million > revenue contribution ≥ US$1 million) and large-sized enterprise customers (revenue contribution ≥ US$10 million) and their revenue contribution are as follows:

	Small-sized enterprise customer	**Medium-sized enterprise customer**	**Large-sized enterprise customer**
Number of customers	374	152	18
Total customer revenue (US$'000)	127,881	467,311	346,155
Average revenue contribution of customers (US$'000)	342	3,074	19,231
% of total Mintegral revenue	13.0%	47.7%	35.3%

4) **Retention of enterprise customers whose Mintegral platform revenue contribution were more than US$100,000, divided by revenue scale**

We have calculated the retention rates of customers of different revenue scale. By comparing the two consecutive twelve-month statistical periods, we have calculated the number of enterprise customers of different revenue scale in the previous statistical period that were considered as active customers during the current period. The increase in revenue contribution of the customer group over time is driven by the increase in customer retention and dollar-based net expansion rate. Through the analysis of the retention of enterprise customer groups of different revenue scale and dollar-based net expansion rate, we can understand the internal growth of the business. In addition, the number of our customers in each group may be adjusted based on acquisitions, mergers, spin-offs and other market activities.

		Data for the 12-month periods as of 31 December 2023 and 31 December 2022
Small-sized enterprise customer (US$1 million > Revenue contribution ≥ US$100,000)	Number of customers retained in the current period[2]	226
	Number of customers in the base period[3]	258
	Customer retention rate	87.6%
	Dollar-based net expansion rate[1]	160.9%
Medium-sized enterprise customer (US$10 million > Revenue contribution ≥ US$1 million)	Number of customers retained in the current period[2]	112
	Number of customers in the base period[3]	114
	Customer retention rate	98.3%
	Dollar-based net expansion rate[1]	124.7%
Large-sized enterprise customer (Revenue contribution ≥ US$10 million)	Number of customers retained in the current period[2]	18
	Number of customers in the base period[3]	18
	Customer retention rate	100.0%
	Dollar-based net expansion rate[1]	80.6%

Notes:

(1) Dollar-based net expansion rate: (Average revenue contribution of current retained customers in the current period/Average revenue contribution of the current retained customers in the base period)*100%.

(2) Current period: 12 months as of 31 December 2023.

(3) Base period: 12 months as of 31 December 2022.

3.1.2. Main operational data

Quarter-on-quarter Change	2023Q4	2023Q3	2023Q2	2023Q1
Retention rate of cooperating traffic publishers[(1)]	94.7%	93.5%	95.4%	93.4%
Changes in the number of new cooperating traffic publishers[(1)]	12.8%	15.7%	18.0%	15.1%
Changes in the number of new cooperating traffic Apps	21.8%	23.6%	23.8%	19.3%

Note:

(1) Cooperating traffic publishers: defined as the traffic publishers who send ad requests to the platform within a certain period of time. It may be a traffic provider that we need to pay, or it may be a traffic provider that we may pay in the future.

At the end of the Reporting Period, the publishers that Mintegral worked with were well retained and continued to grow. The quarter-on-quarter retention rates of cooperative publishers in 2023Q4 and 2023Q3 are 94.7% and 93.5% respectively, and the quarter-on-quarter growth of new cooperative publishers is 12.8% and 15.7% respectively; and the number of cooperative Apps increased by 21.8% and 23.6% quarter-on-quarter.

4. Revenue from Mintegral's Business by Mobile App Category

The following table sets forth a breakdown of revenue from Mintegral platform business by mobile App category[(1)] for the periods indicated:

	For the Twelve Months Ended 31 December				
	2023		2022		
	US$'000	% of Mintegral platform business revenue	US$'000	% of Mintegral platform business revenue	YoY change
Game	758,820	77.4%	630,704	76.4%	20.3%
Casual game	473,964	48.3%	459,392	55.6%	3.2%
Midcore and hardcore game	284,856	29.1%	171,312	20.8%	66.3%
E-commerce	37,890	3.9%	48,777	5.9%	(22.3%)
Social and content	63,933	6.5%	66,419	8.0%	(3.7%)
Lifestyle	46,293	4.7%	19,050	2.3%	143.0%
Utility	42,342	4.3%	34,449	4.2%	22.9%
Others	31,135	3.2%	25,769	3.2%	20.8%
Total revenue from Mintegral platform business	980,413	100.0%	825,168	100.0%	18.8%

Note:

(1) The application category division shown in the figure is based on the application type that uses our applications (customers).

We define casual games as those with IAP revenue accounting for less than or equal to 30% of the game's total revenue, and midcore and hardcore games as those with IAP revenue making up more than 30% of the game's total revenue. In gaming revenue, the proportion of IAP is generally provided by advertisers. During the Reporting Period, Mintegral made significant breakthroughs in expanding into midcore and hardcore games. Revenue from these games accounts for 29.1% of Mintegral's revenue.

During the Reporting Period, the game category recorded revenue of US$758.8 million (corresponding period in 2022: US$630.7 million), a YoY increase of 20.3%, accounting for 77.4% of Mintegral's revenue. During the Reporting Period, revenue from casual game categories increased by 3.2% YoY. This is mainly due to the industry's gradual shift towards a trend of hybrid monetization through IAA and IAP, which has somewhat impacted the growth rate of our revenue from casual games. However, we still maintain a leading position in the casual game market. In addition, the Group continued to grow the midcore and hardcore game segments. During the Reporting Period, the revenue contribution from midcore and hardcore game enterprise customers had a big breakthrough, a YoY increase of 66.3% in 2023 compared with 2022, which has accelerated the rapid growth of Mintegral's game category revenue.

The e-commerce category recorded revenue of US$37.9 million (corresponding period in 2022: US$48.8 million), a YoY decrease of 22.3%, accounting for 3.9% of Mintegral's business revenue.

The revenue of social and content category declined by 3.7% to US$63.9 million (corresponding period in 2022: US$66.4 million).

The utility category recorded revenue of US$42.3 million (corresponding period of 2022: US$34.4 million), a YoY increase of 22.9%. The increase was primarily driven by the strong demand from Chinese customers in the small and medium-sized utility category aiming for global expansion of their business.

During the Reporting Period, the Group continued to improve the vertical coverage, actively expanded sub-categories, refined operations of mature application services, and deepened competitive barriers while gaining market share thereby laying a foundation for long-term development.

5. Revenue from our Advertising Technology Business by Geography

The following table sets forth a breakdown of revenue from our advertising technology business by geography[1] for the periods indicated:

	For the Twelve Months Ended 31 December				
	2023		2022		
	US$'000	**% of Advertising Technology Business Revenue**	US$'000	% of Advertising Technology Business Revenue	**YoY change**
China[2]	**341,518**	**32.9%**	296,837	33.7%	**15.1%**
EMEA[3] and Americas[4]	**477,386**	**46.0%**	380,062	43.1%	**25.6%**
Asia-Pacific[5]	**210,884**	**20.3%**	191,382	21.7%	**10.2%**
Other regions[6]	**8,703**	**0.8%**	13,532	1.5%	**(35.7%)**
Total advertising technology business revenue	**1,038,491**	**100.0%**	881,813	100.0%	**17.8%**

Notes:

(1) The regions classified in the table refer to the location of our advertisers' main business departments.

(2) Includes the mainland China, Hong Kong, Macau and Taiwan.

(3) Includes the United Kingdom, France, Switzerland, Germany, Greece, Iceland, Saudi Arabia, Jordan, Egypt, Israel and Turkey.

(4) Mainly includes the United States, Canada, Mexico, Brazil, Argentina, Chile and Colombia.

(5) Other major Asian countries excluding China.

(6) Countries and regions other than the above countries and regions.

During the Reporting Period, the regional structure of our advertising technology revenue was diversified. EMEA and the Americas accounted for a large proportion, China remained stable, and the rest of the world accounted for a relatively small proportion.

EMEA and the Americas are the largest sources of income, with a total revenue of US$477.4 million (corresponding period of 2022: US$380.1 million), the proportion of its contribution to the advertising technology business revenue is 46.0% (among them, the Americas and the Middle East contributed to 7.2% and 15.3% of the revenue of advertising technology business respectively), and the contribution ratio of advertising technology business revenue increased slightly. The revenue growth in EMEA and the Americas is mainly attributed to the following factors: as the Group's technology and the scale of traffic delivered continue to strengthen, there has been an increase in the number of large enterprise clients in the EMEA region, additionally, the Group has further expanded its business to small and medium-sized clients, leading to a significant increase in the number of such clients and their average revenue contribution, consequently fostering the growth of revenue in the EMEA region.

China is the second largest source of income, with revenue of US$341.5 million (the same period in 2022: US$296.8 million), an increase of 15.1% on a YoY basis, and accounting for 32.9% of the advertising technology business revenue. The revenue growth in China during the Reporting Period primarily stemmed from the lift in demand from Apps of the Chinese social and content category to advertise in overseas markets, which in turn attracted more small and medium-sized customers. This trend has fostered the rapid growth of the business of Mintegral in China.

In addition, the Asia-Pacific region recorded revenue of US$210.9 million (corresponding period of 2022: US$191.4 million), a YoY increase of 10.2%.

Revenue from our Marketing Technology Business by Categories

We divided our marketing technology business during the Reporting Period into four revenue categories: statistics and analysis, creative, advertising, and cloud computing optimization. Among them, statistics and analysis have the highest proportion, accounting for 50.8% of the total revenue of the marketing technology business.

	Statistics and Analysis US$'000	**Creative** US$'000	**Advertising** US$'000	**Cloud Computing Optimization** US$'000	**Total** US$'000
Revenue	7,931	4,948	2,444	278	15,601
% of marketing technology business revenue	50.8%	31.7%	15.7%	1.8%	100.0%

Cost of Sales

During the Reporting Period, our cost of sales increased by 16.6% YoY to US$836.8 million (corresponding period in 2022: US$717.4 million). The increase primarily comes from the advertising technology business. The main costs of the advertising technology business include traffic costs and other business costs, with other business costs mainly consisting of server costs and the amortization of intangible assets capitalized. On the one hand, as the scale of the advertising technology business expands, there is an increase in both traffic costs and server costs. On the other hand, over time, the intangible assets formed by the advertising technology platform during different periods gradually amortize. Therefore, there is an increase in the amortization expenses for the Reporting Period.

The following table sets forth a breakdown of our cost of sales by type of cost for the periods indicated:

	For the Twelve Months Ended 31 December				
	2023		2022		
	US$'000	% of respective business revenue	US$'000	% of respective business revenue	YoY Change
Ad-tech business	833,401	80.3%	713,311	80.9%	**16.8%**
Traffic cost	769,888	74.1%	669,688	75.9%	**15.0%**
Other business cost	63,513	6.1%	43,623	4.9%	**45.6%**
Mar-tech business	3,400	21.8%	4,065	32.3%	**(16.4%)**
Mar-tech business cost	3,400	21.8%	4,065	32.3%	**(16.4%)**
Total	836,801	79.4%	717,376	80.2%	**16.6%**

Gross Profit and Gross Profit Margin

The following table sets forth the gross profit and gross profit margin of the Company's entire business activities for the periods indicated:

	For the Twelve Months Ended 31 December				
	2023		2022		
	Gross Profit US$'000	Gross profit margin	Gross Profit US$'000	Gross profit margin	YoY change
Ad-tech business	205,090	19.7%	168,502	19.1%	21.7%
Mar-tech business	12,201	78.2%	8,527	67.7%	43.1%
Total	217,291	20.6%	177,029	19.8%	22.7%

During the Reporting Period, the Group recorded a gross profit of US$217.3 million (corresponding period in 2022: US$177.0 million), a YoY increase of 22.7%. Gross profit margin increased to 20.6% (corresponding period in 2022: 19.8%).

The gross profit of the advertising technology business increased by 21.7% to US$205.1 million on a YoY basis, with a gross profit margin of 19.7%, which is slightly higher than the same period in 2022.

The gross profit of the marketing technology business was US$12.2 million, and the gross profit margin was 78.2%, which is a significant increase compared to the same period in 2022.

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses decreased by 23.1% YoY to US$50.9 million (corresponding period in 2022: US$66.1 million). The primary reason for this decrease is the reduction in incentive fee.

During the Reporting Period, the share-based compensation included in selling and marketing expenses amounted to US$0.7 million.

R&D Expenditures

During the Reporting Period, our expensed R&D expenditures decreased by 11.8% YoY to US$94.3 million (corresponding period in 2022: US$106.9 million). The decrease in R&D expenditures is primarily due to the gradual maturity of algorithms, resulting in a reduction in model training costs.

In addition, if we combine capitalized R&D expenditures with expensed R&D expenditures, total R&D expenditures will be US$170.8 million, a decrease of 8.2% compared to the same period in 2022.

The Group continues to firmly believe that R&D and technological advancement are the core drivers of business growth. Therefore, share grants are given to R&D personnel as incentives. During the Reporting Period, the share-based compensation included in R&D expenditures amounted to US$5.6 million.

General and Administrative Expenses

During the Reporting Period, our general and administrative expenses have increased by 9.8% YoY to US$53.6 million (corresponding period in 2022: US$48.8 million).

Operating Expenses

We classify operating expenses into fixed expenses (excluding share-based compensation), variable expenses and share-based compensation. Fixed expenses mainly consist of labour costs (cash), rental expenses, business travel expenses, agency fees, welfare expenses and other daily operating expenses, and we merge the capitalized R&D expenditures and expensed R&D expenditures with labor costs in the periods indicated. Fixed expenses remained relatively stable between quarters. Variable expenses include subsidies directly related to advertising delivery, model training costs for the advertising platform, and loss from asset impairments.

	For the Three Months Ended on the Following Dates							
	31 December 2023 US$'000	30 September 2023 US$'000	30 June 2023 US$'000	31 March 2023 US$'000	31 December 2022 US$'000	30 September 2022 US$'000	30 June 2022 US$'000	31 March 2022 US$'000
Variable expenses	35,989	37,403	32,796	25,914	32,565	33,632	39,933	39,951
Fixed expenses (excluding share-based compensation)	21,101	19,902	22,252	20,906	20,651	22,115	22,004	24,117
Share-based compensation	2,506	750	4,702	1,382	3,958	3,654	2,434	2,435
Total	59,596	58,055	59,750	48,202	57,174	59,401	64,371	66,503

Profit from Operations

During the Reporting Period, our operating profit was US$29.6 million (corresponding period in 2022: US$2.2 million). If we exclude the effects of share-based compensation expenses, depreciation and amortization, investment gain/(loss) from financial assets at fair value through profit or loss, restructuring expenses of R&D team, attorney expenses of acquisition of Reyun Data, foreign exchange loss and gain on disposal of subsidiaries and the media planning and procurement business during the Reporting Period, our operating profit increased by 191.3% YoY to US$105.3 million (corresponding period in 2022: US$36.1 million).

Quarterly net profit, adjusted EBITDA

	For the Three Months Ended on the Following Dates							
	31 December 2023 US$'000	30 September 2023 US$'000	30 June 2023 US$'000	31 March 2023 US$'000	31 December 2022 US$'000	30 September 2022 US$'000	30 June 2022 US$'000	31 March 2022 US$'000
Net Profit	6,805	3,261	5,321	3,201	1,806	(13,266)	(9,290)	30,940[1]
Adjusted EBITDA[2]	29,891	23,577	25,731	26,071	18,849	11,462	4,687	1,137

Notes:

(1) The net profit for the three months ended 31 March 2022 included an one-off gain of US$48.8 million from the sale of subsidiaries and the top media agency business.

(2) Adjusted EBITDA is not an IFRS measure.

Trade receivables turnover days

During the Reporting Period, the Group's overall trade receivables turnover days was 51 days. The Group has always highly valued trade receivables management, and most of the trade receivables of the Group's business could basically be collected within agreed upon terms.

(Unit: Days)	Total trade receivable turnover days
2023	51
2022[1]	52
2021 (including assets held for sale)	102

Note:

(1) Turnover days after the disposal of subsidiaries and top media agency business.

Trade payables turnover days

During the Reporting Period, the Group's overall trade payables turnover days was 86 days. A relatively stable level was also maintained over the past three years.

(Unit: Days)	Total trade payables turnover days
2023	86
2022[1]	90
2021 (including assets held for sale)	84

Note:

(1) Turnover days after the disposal of subsidiaries and top media agency business.

Net Cash Flow from the Operating Activities

During the Reporting Period, management of accounts receivable continued to be strengthened. In the second half of 2022, we launched a credit system to unify the review and management of credit lines (credit lines refer to the maximum amount that a customer can post-pay). We utilize systems instead of manual processes to control potential financial risks. We have implemented systematic management for client groups, including approving credit limits, monitoring credit utilization comprehensively, automating the supervision of customer payment cycles, implementing early warning mechanisms for risk points, and further enhancing the quality of accounts receivable. Our operational cash flow continues to improve. During the Reporting Period, the amount of cash flow generated by the Group's operating activities was US$108.0 million, a YoY increase of 10.3% when compared with the previous reporting period. The net cash flow generated by operating activities increased significantly.

	For the Twelve Months Ended 31 December		
	2023 US$'000	2022 US$'000	**YoY Change**
Net cash flow from the operating activities	**108,005**	97,889	**10.3%**

Finance Costs

During the Reporting Period, our financial costs increased by 35.3% to US$7.2 million on a YoY basis (corresponding period in 2022: US$5.3 million).

Income Tax

During the Reporting Period, we recorded tax expenses of US$5.9 million (corresponding period in 2022: tax expenses of US$1.0 million).

Profit Attributable to Equity Holders of the Company

During the Reporting Period, the profit attributable to equity shareholders of the Company was US$21.8 million (corresponding period in 2022: US$15.0 million).

Other Financial Information (Non-IFRS measures)

To supplement our consolidated financial statements presented in accordance with IFRS, we also use non-IFRS measures, namely net revenue, EBITDA, adjusted EBITDA and adjusted net profit, as additional financial measures, which are not required by or presented in accordance with IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from time to time by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that such measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted EBITDA and adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures have limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of our results of operations or financial conditions as reported under IFRS.

	For the Twelve Months Ended 31 December				
	2023		2022		
	US $'000	% of Total Revenue	US $'000	% of Total Revenue	YoY Change
Revenue	1,054,092	100.0%	894,405	100.0%	17.9%
Traffic cost	(769,888)	(73.0%)	(669,688)	(74.9%)	15.0%
Net Revenue	284,204	27.0%	224,717	25.1%	26.5%
Profit from operations	29,578	2.8%	2,245	0.3%	1,217.5%
Add back:					
Depreciation and amortization	72,835	6.9%	61,561	6.9%	18.3%
EBITDA	102,413	9.7%	63,806	7.1%	60.5%
Add back:					
Share-based compensation(1)	9,340	0.9%	12,481	1.4%	(25.2%)
Restructuring expenses of R&D team (2)	–	–	1,347	0.2%	–
Attorney expenses of acquisition of Reyun Data(3)	–	–	619	0.1%	–
Foreign exchange loss(4)	232	0.0%	5,449	0.6%	(95.7%)
Investment (gain)/loss from financial assets at fair value through profit or loss (5)	(6,715)	(0.6%)	1,211	0.1%	–
Gain on disposal of subsidiaries and top media agency business (6)	–	–	(48,778)	(5.5%)	–
Non-IFRS measures					
Adjusted EBITDA (7)	105,270	10.0%	36,135	4.0%	191.3%
Profit for the period	18,588	1.8%	10,190	1.1%	82.4%
Add back:					
Share-based compensation(1)	9,340	0.9%	12,481	1.4%	(25.2%)
Investment (gain)/loss from financial assets at fair value through profit or loss (5)	(6,715)	(0.6%)	1,211	0.1%	–
Gain from change in fair value of derivative financial liabilities (8)	(2,093)	(0.2%)	(14,183)	(1.6%)	(85.2%)
Adjusted net profit (9)	19,120	1.8%	9,699	1.1%	97.1%

Notes:

(1) Share-based compensation are expenses arising from granting RSU and share options to selected executives and employees, the amount of which are non-cash in nature and commonly excluded in similar non-IFRS measures adopted by other companies in our industry.

(2) Restructuring expenses of R&D team are employee termination expenses for upgrading our research and development team strength, which are one-off expenses and may not directly correlate with the underlying performance of our business operations.

(3) Attorney expenses of acquisition of Reyun Data are service fees paid to lawyers relating to our acquisition of Reyun Data, which are one-off expenses and may not directly correlate with the underlying performance of our business operations.

(4) Foreign exchange loss is loss arising from exchange differences on translation of foreign currency monetary accounts. Foreign exchange loss may not directly correlate with the underlying performance of our business operations.

(5) Investment (gain)/loss from financial assets at fair value through profit or loss arises from fair value change of certain investments held by the Group, which was recognized at fair value change through profit or loss. Such investment (gain)/loss is not directly related to our principal operating activities.

(6) Gain on disposal of subsidiaries and top media agency business is the disposal gain arising from the business restructuring of the Group, which is an one-off gain and may not directly correlate with the underlying performance of our business operations.

(7) Adjusted EBITDA is not an IFRS measure. We define adjusted EBITDA as EBITDA (which is profit from operations plus depreciation and amortization expenses, which is not an IFRS measure) for the Reporting Period adjusted by adding back or deducting share-based compensation expenses, investment gain/(loss) from financial assets at fair value through profit or loss, restructuring expenses of R&D team, attorney expenses of acquisition of Reyun Data, foreign exchange loss and gain on disposal of subsidiaries and top media agency business.

(8) Gain from change in fair value of derivative financial liabilities is gain arising from the fair value remeasurement of the derivative component of convertible bonds. Such changes are not directly related to our principal operating activities.

(9) Adjusted net profit is not an IFRS measure. We define adjusted net profit as profit for the Reporting Period adjusted by adding back or deducting share-based compensation expenses, investment gain/(loss) from financial assets at fair value through profit or loss and gain from change in fair value of derivative financial liabilities.

During the Reporting Period, the adjusted EBITDA of the Group was US$105.3 million (corresponding period in 2022: US$36.1 million), which has increased by 191.3% YoY, and the adjusted net profit was US$19.1 million (corresponding period in 2022: US$9.7 million, which includes an one-off gain of US$48.8 million from the sale of subsidiaries and the top media agency business).

Capital Structure and Gearing Ratio

The Company was incorporated in the Cayman Islands. As at 31 December 2023, the Company's authorized share capital of US$100,000,000 was divided into 10,000,000,000 ordinary shares of US$0.01 each. As at 31 December 2023, the number of issued Shares of the Company was 1,601,073,164, which have been fully paid up.

The Group's primary objectives in capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for Shareholders and benefits for other stakeholders by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group's gearing ratio is defined as the Group's total liabilities over its total assets. As of 31 December 2023, our total assets were US$691.6 million (as of 31 December 2022: US$602.1 million), while our total liabilities were US$432.4 million (as of 31 December 2022: US$354.0 million). The gearing ratio (total liabilities divided by total assets) has risen to 62.5% (as of 31 December 2022: 58.8%).

We operate our business internationally and the major currencies of the receipt of our payments and the payments we make are denominated in U.S. dollars. The Group's interest rate risk arises primarily from variable rates bank loans, the effective interest rate of variable rate borrowings during the Reporting Period is 3.5%–8.0% (corresponding period in 2022: 1.2%–7.3%).

Liquidity and Financial Resources

Our Company's cash flow is principally sourced from capital contribution from Shareholders, cash generated from our operations and bank loans. As of 31 December 2023, our cash and cash equivalents amounted to US$146.3 million (as of 31 December 2022: US$105.7 million). As of 31 December 2023, our bank loans and overdrafts balance amounted to US$81.5 million (as of 31 December 2022: US$45.6 million), where 15.4% were at fixed interest rates. Bank loans of and overdrafts US$79.0 million were denominated in U.S. dollars, and US$2.5 million were denominated in RMB. Among the aforementioned bank loans and overdrafts balance, US$49.5 million is set to mature within one year, and US$32.0 million is set to mature in more than one year. The Group does not have seasonal borrowing requirements.

Capital Expenditures

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

	For the Twelve Months Ended 31 December		
	2023 **US$'000**	2022 US$'000	**YoY Change**
Property, plant and equipment	**1,366**	738	**85.1%**
Intangible assets and development costs	**76,556**	79,571	**(3.8%)**
Total	**77,922**	80,309	**(3.0%)**

Significant Investments Held, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

Please refer to the section headed "Directors' Report — Contractual Arrangements entered into by the Group" for details of certain VIE contractual arrangements set up by the Group during the Reporting Period.

Save as disclosed above, there were no significant investments held by the Group, nor any material acquisitions and disposal of subsidiaries, associates and joint ventures by the Group, during the Reporting Period.

Charges on Group's Assets

As at 31 December 2023, except for the restricted cash of US$5.3 million pledged for the bank loans and overdrafts, a facility of US$40 million from the Hongkong and Shanghai Banking Corporation Limited was secured by charged cash in the bank accounts of certain subsidiaries of the Group, by charged shares of certain overseas subsidiaries of the Group, by pledged shares in certain domestic subsidiaries of the Group, and by charged intellectual properties held by a subsidiary of the Group.

Save as disclosed above, none of the Group's assets were charged to any parties or financial institutions.

Specific Performance Obligation on Mr. Duan Wei as a Controlling Shareholder

On 10 March 2022, the Company, as borrower, and the Hongkong and Shanghai Banking Corporation Limited, as lender, entered into a facility agreement, pursuant to which the lender agreed to provide the Company with non-revolving loan facilities of up to US$75 million.

Under the facility agreement, if Mr. Duan Wei and Mr. Cao Xiaohuan cease to hold (directly or indirectly) beneficially more than 23% of the issued share capital of the Company in aggregate (excluding any part of such issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), the facilities will be canceled and all outstanding amounts accrued under the facilities shall become immediately due and payable. For further details, please refer to the Company's announcement dated 10 March 2022.

As at the Latest Practicable Date, the facilities have been repaid at maturity, except that the repayment date of US$32 million of the facilities has been extended to 9 March 2025.

Material Investments or Future Plans for Major Investment

As of 31 December 2023, the Group did not hold any material investment and had no specific plan for material investments or capital assets.

Contingent Liabilities and Financial Guarantees

Details of the Group's contingent liabilities as at 31 December 2023 are set out in note 27 to the financial statements on pages 199 to 200 of this annual report. Save as disclosed above, there were no material contingent liabilities or financial guarantees granted to third parties of the Group.

Employee and Remuneration Policies

As of 31 December 2023, the Group had 18 offices around the world, with 739 full-time employees (as of 31 December 2022: 777 employees). We had 431 employees engaged in R&D activities, accounting for 58.3% of total full-time employees. The number of employees employed by the Group is subject to change from time to time based on needs, and employee salaries are determined with reference to market conditions and the performance, qualification and experience of individual employees.

In order to nurture and retain talent, the Group has formulated systematic recruitment procedures and offers competitive benefits and training opportunities. The remuneration policy and packages are reviewed on a regular basis. Employees will be evaluated according to their appraisals, which in turn determine their performance bonus and share awards.

Details of the remuneration of employees are set out in notes 5(b) to the financial statements on page 154 of this annual report.

Foreign Exchange Risk Management

We operate our business internationally and the receipt of our payments and the payments we make are denominated in U.S. dollars. We are exposed to non-U.S. dollar currency risk primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a foreign currency. We manage foreign exchange risk by performing regular reviews of our foreign exchange exposure. As the risk was within controllable limits, no financial instruments have been entered into to hedge against interest rate and exchange rate-related risks.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Below is the brief information of the current Directors and senior management of the Group.

DIRECTORS

The Board currently comprises eight Directors, of which four are executive Directors, one is a non-executive Director and three are independent non-executive Directors. The following table sets out information of the Directors.

Name	Age	Position	Date of Appointment
Mr. DUAN Wei	38	Executive Director and chairman of the Board	16 April 2018
Mr. CAO Xiaohuan	38	Executive Director	16 April 2018
Mr. FANG Zikai	39	Executive Director	13 June 2018
Mr. SONG Xiaofei	37	Executive Director	31 March 2021
Mr. WONG Tak-Wai	47	Non-executive Director	19 February 2021
Mr. SUN Hongbin	48	Independent non-executive Director	7 July 2020
Ms. CHEUNG Ho Ling Honnus	53	Independent non-executive Director	13 May 2022
Mr. WONG Ka Fai Jimmy	55	Independent non-executive Director	17 April 2023

Executive Directors

Mr. DUAN Wei (段威)

Mr. Duan, aged 38, joined the Group in 2013. He is one of our co-founders, an executive Director, and the chairman of the Board of the Company and is responsible for overall strategic planning and the business direction of the Group. He serves as director of various subsidiaries of the Company.

Mr. Duan obtained his bachelor's degree in system science and engineering from Zhejiang University in 2008.

Mr. CAO Xiaohuan (曹曉歡)

Mr. Cao, aged 38, joined the Group in 2014. He is one of our co-founders, an executive Director and the chief executive officer of the Company and is mainly responsible for overall management of the operations of the Group. He serves as director of various subsidiaries of the Company.

Mr. Cao is currently a member of CPA Australia. Mr. Cao received his bachelor's degree in system science and engineering in 2008 from Zhejiang University and later a master's degree in system analysis and integration in 2011 from the same university.

Mr. FANG Zikai (方子愷)
Mr. Fang, aged 39, joined the Group in 2015. He is an executive Director and the chief product officer of the Company, primarily responsible for product research and management of the advertising business line of the Group.

Mr. Fang received his bachelor's degree from Zhejiang University in 2007, majoring in mathematics and applied mathematics, and obtained a master's degree of arts from the University of Pittsburgh in 2009.

Mr. SONG Xiaofei (宋笑飛)
Mr. Song, aged 37, joined the Group in 2015. He is an executive Director and the chief financial officer of the Company, primarily responsible for the Group's overall financial management. He serves as director and legal representative of various subsidiaries of the Group.

Mr. Song was accredited as a Certified Public Accountant (non-practising) by The Chinese Institute of Certified Public Accountants in February 2017, and obtained the Chartered Accountant qualification from the Institute of Chartered Accountants in England and Wales in January 2024. Mr. Song received his bachelor's degree from Guangdong University of Foreign Studies in June 2008, majoring in English Linguistics.

Non-executive Director

Mr. WONG Tak-Wai (黃德煒)
Mr. Wong, aged 47, was appointed as a non-executive Director of the Group in February 2021.

Mr. Wong is a partner and Co-Head of Private Equity of the Pacific Alliance Group and served at the Pacific Alliance Group for 14 years. Mr. Wong is primarily responsible for private equity investment in the Chinese market. Mr. Wong has been a non-executive director of Nayuki Holdings Limited (stock code: 02150) since December 2020. Mr. Wong has been a non-executive director of Yingde Gases Group Company Limited (a company previously listed on the Stock Exchange (stock code: 2168)) since April 2017, and was appointed as the chairman of the board of directors of AirPower Technologies Limited (a merged company of Yingde Gases Group Company Limited and Baosteel Gas LLC.) in April 2021. Mr. Wong has also served as an independent director of Tencent Music Entertainment Group (a company listed on the New York Stock Exchange (NYSE: TME)) from July 2016 to September 2020. From 2006 to 2010, Mr. Wong served as the vice-president of the Hong Kong and Beijing Branch of TPG-Newbridge (later TPG Capital Asian Fund). Before serving in TPG-Newbridge, Mr. Wong served as an investment manager in the Investment Banking department at Morgan Stanley Hong Kong, San Francisco and Beijing.

Mr. Wong received his bachelor's degree in Business Administration and Asian Studies from the University of California, Berkeley in 1999.

Independent non-executive Directors

Mr. SUN Hongbin (孫洪斌)
Mr. Sun, aged 48, was appointed as an independent non-executive Director of our Group in July 2020. He is responsible for providing independent advice and judgment to our Board.

Mr. Sun has over 24 years of finance experience. He has been an independent non-executive director of New Century Healthcare Holding Co., Limited (新世紀醫療控股有限公司), a company listed on the Stock Exchange (stock code: 1518), since December 2016. He has been an independent non-executive director of CStone Pharmaceuticals (基石藥業), a company listed on the Stock Exchange (stock code: 2616), since February 2019. He has been an independent non-executive director of Abbisko Cayman Limited (和譽開曼有限責任公司), a company listed on the Stock Exchange (stock code: 2256), since September 2021. He has been the chief financial officer of MicroPort Scientific Corporation (微創醫療科學有限公司), a company listed on the Stock Exchange (stock code: 0853), since September 2010 and served as its executive director from July 2010 to September 2012. Mr. Sun has served as a director of Shanghai MicroPort MedBot (Group) Co., Ltd. (上海微創醫療機器人（集團）股份有限公司), a company listed on the Stock Exchange (stock code: 2252, "**MedBot**") since April 2020, and as a non-executive director and the chairman of the board of directors of MedBot from June 2021. He was the financial director of Otsuka (China) Investment Co., Ltd. (大塚（中國）投資有限公司) from January 2004 to January 2006 and then worked as its director and general manager from January 2006 to August 2010. From August 1998 to January 2004, he was an assistant manager in the audit department of KPMG Huazhen (畢馬威華振會計師事務所) in Shanghai.

Mr. Sun has been a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since December 2009 and also a chartered financial analyst in September 2009.

He received his bachelor's degree in accounting from Shanghai Jiao Tong University (上海交通大學) in China in July 1998.

Ms. CHEUNG Ho Ling Honnus (張可玲)
Ms. Cheung, aged 53, was appointed as an independent non-executive Director of our Group in May 2022. Ms. Cheung is responsible for providing independent advice and judgment to our Board.

Ms. Cheung graduated from the University of Queensland (Australia) with a Bachelor of Commerce degree and obtained a Master of Business Administration from Kellogg School of Business Northwestern University and Hong Kong University of Science and Technology. Ms. Cheung is a fellow member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and Certified Practising Accountants of Australia (FCPA). She is also a fellow member of the Hong Kong Institute of Directors (FHKIoD). Ms. Cheung has served as Co-Founder and Chief Strategy Officer of On-us Group (previously Mojodomo Group) since 2020. She has been the independent non-executive director of Stelux (HKEX: 84) since 2022 and VS MEDIA Holdings (NASDAQ:VSME) since September 2023. Moreover, she was the independent non-executive director and Audit Committee Chairman for iClick (NASDAQ: ICLK) from 2017 to 2021. Prior to that, she was the CFO, Asia Pacific and General Manager, China for Travelzoo (NASDAQ: TZOO) from 2007 to 2019 and Regional Finance Director for Yahoo! Asia from 1999 to 2007. She built both the Travelzoo Asia and Yahoo! Asia business from zero to multi-billions. Prior to working for Yahoo!, Ms. Cheung held various professional positions at American Standard and PricewaterhouseCoopers. She has over 20 years' experience in financial and management functions in listed companies.

Mr. WONG Ka Fai Jimmy (黃家輝)
Mr. Wong, aged 55, was appointed as an independent non-executive Director of our Group in April 2023. Mr. Wong is responsible for providing independent advice and judgment to our Board.

Mr. Wong has over 20 years of working experience in investment banking. He has been an independent non-executive director of Far East Horizon Limited (stock code: 3360) since June 2023. He spent 14 years at UBS AG, Hong Kong Branch between 2006 and 2020. He became a Managing Director in 2011, and served as the Head of Financial Institutions Group, Asia Pacific from 2015 to 2020. In his role, he oversaw corporate finance and mergers and acquisitions advisory transactions throughout the APAC region. Prior to UBS AG, Mr. Wong worked as an Assistant Director at the Financial Institutions Group, Asia of ABN AMRO Bank NV, Hong Kong Branch from 2003 to 2006, and as an Associate in Telecom & Media Group of Credit Suisse First Boston (Hong Kong) Limited from 1999 to 2002. Before joining the investment banking sector, Mr. Wong was an engineer and worked as product manager for Data Services at Hong Kong Telecommunications Limited from 1992 to 1997.

Mr. Wong received his master's and bachelor's degree of arts from the University of Cambridge in 1997 and 1992, respectively, and his master's degree of business administration from the Australian Graduate School of Management in 1998.

Mr. Wong is now an adjunct lecturer at the UNSW Business School, University of New South Wales, Australia.

SENIOR MANAGEMENT

Mr. CAI Chao (蔡超)
Mr. Cai, aged 47, is the vice president of technology and the chief engineering architect of the Company, primarily responsible for leading the development of SpotMax (a cost optimization system based on cloud computing) and constructing the core structure of the Company's programmatic business. Mr. Cai joined the Group in 2017.

Mr. Cai was certified as a system architect by the Beijing Municipal Human Resources and Social Security Bureau in 2005.

Mr. Cai received his master's degree from the Institute of Computer Science, Guizhou University, majoring in computer software and theories in 2005.

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on 16 April 2018 as an exempted company with limited liability under the Companies Law of the Cayman Islands. We are a technology service company committed to providing global customers (in particular Chinese customers aiming for global expansion) with advertising technology service and marketing technology service required for developing mobile internet ecosystems.

An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" on pages 34 to 55 in this annual report and note 3 to the financial statements.

FIVE YEAR FINANCIAL SUMMARY

The five year financial summary of the Group is set out on page 3 in the section headed "Five-Year Financial Summary" of this annual report.

RESULTS

The financial results of the Group for the year ended 31 December 2023 are set out on pages 117 to 124 of this annual report.

DIVIDEND POLICY AND FINAL DIVIDEND

Under the Articles of Association, our Company in general meeting may declare dividends in any currency to be paid to Shareholders, provided that no dividend shall exceed the amount recommended by our Directors. In addition, our Directors may from time to time pay to Shareholders such interim dividends as appear to our Directors to be justified by the profits of our Company. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require a foreign-invested enterprise to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. Distributions from us and our subsidiaries may also become subject to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiaries may enter into in the future.

No final dividend was recommended by the Board for the year ended 31 December 2023 (for the year ended 31 December 2022: nil).

As at 31 December 2023, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2023 is set out as below:

		Section(s) in this Annual Report
a	Fair review of the Company's business	Management Discussion and Analysis
b	Description of the principal risks and uncertainties the Company is facing	Management Discussion and Analysis; Directors' Report
c	Indication of likely future development of the Company's business	Letter to Shareholders; Business Review
d	Analysis using financial key performance indicators	Financial Highlights; Management Discussion and Analysis
e	Discussion on the Company's compliance with the relevant laws and regulations that have a significant impact on the Company	Corporate Governance Report; Directors' Report

For details of an account of the Company's key relationships with its employees, customers, suppliers and others that have a significant impact on the Company, and the discussion of the Company's environmental policies and performance for the year ended 31 December 2023 are set out in the Company's 2023 Environment, Social and Governance Report which will be published on the same date of this Annual Report.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2023, the Group's five largest customers in aggregate accounted for approximately 18.2% of the Group's total revenue. The Group's largest customer accounted for 4.7% of the Group's total revenue.

During the year ended 31 December 2023, the Group's five largest suppliers in aggregate accounted for approximately 17.3% of the Group's total purchase. The Group's largest supplier accounted for 4.9% of the Group's total purchase.

To the best of the knowledge of the Directors, none of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property and equipment of the Group during the year ended 31 December 2023 are set out in note 10 to the financial statements on pages 162 to 163 of this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2023 are set out in note 24 to the financial statements on pages 183 to 184 of this annual report.

RESERVES

Details of the movement in the reserves of the Group and of the Company during the year ended 31 December 2023 are set out on pages 121 to 122 and in note 25 to the financial statements on pages 185 to 188 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company's distributable reserves were US$202,229,000.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2023, particulars of bank loans and other borrowings of the Company are set out in note 18 and 20 to the financial statements on pages 117 to 119 of this annual report.

DONATIONS

The total donations made by the Group during the year ended 31 December 2023 amounted to approximately US$1,419.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Interests of Directors and Chief Executive in Securities" and "RSU Schemes", at no time during the year ended 31 December 2023 has the Company or any of its subsidiaries enabled the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any body corporate.

DIRECTORS

The Directors during the Reporting Period and up to the Latest Practicable Date were:

EXECUTIVE DIRECTORS

Mr. DUAN Wei *(Chairman)*
Mr. CAO Xiaohuan *(Chief Executive Officer)*
Mr. FANG Zikai
Mr. SONG Xiaofei

NON-EXECUTIVE DIRECTOR

Mr. WONG Tak-Wai

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SUN Hongbin
Ms. CHEUNG Ho Ling Honnus
Mr. WONG Ka Fai Jimmy *(appointed on 17 April 2023)*
Mr. HU Jie *(resigned on 17 April 2023)*

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmation made by each of the independent non-executive Directors under Rule 3.13 of the Listing Rules regarding their independence, and considers all the independent non-executive Directors to be independent.

CHANGE IN INFORMATION IN RESPECT OF DIRECTORS

Mr. WONG Ka Fai Jimmy has been appointed as an independent non-executive director of Far East Horizon Limited (stock code: 3360) in June 2023.

Ms. CHEUNG Ho Ling Honnus has been appointed as an independent non-executive director of VS MEDIA Holdings (NASDAQ: VSME) in September 2023.

Save for the foregoing, during the Reporting Period and up to the Latest Practicable Date, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out in this annual report in the section headed "Profile of Directors and Senior Management" on pages 56 to 59.

DIRECTORS' SERVICE CONTRACTS

(a) Executive Directors

Mr. DUAN Wei, Mr. CAO Xiaohuan and Mr. FANG Zikai, as executive Directors, have respectively entered into a service contract with the Company on 19 June 2018, all of which were subsequently renewed on 19 June 2021. Each service contract was for a term of three years (subject always to re-election as and when required under the Articles of Association) until termination.

Mr. SONG Xiaofei, as an executive Director, has entered into a service contract with the Company for a term of three years on 31 March 2021 and renewed on 31 March 2024 (subject always to re-election as and when required under the Articles of Association) until termination.

(b) Non-executive Director

Mr. WONG Tak-Wai, as a non-executive Director, has entered into an appointment letter with the Company for an initial term of three years on 19 February 2021 and renewed on 19 February 2024 (subject always to re-election as and when required under the Articles of Association) until termination.

(c) Independent Non-executive Directors

Mr. SUN Hongbin, as an independent non-executive Director, has entered into an appointment letter with the Company for an initial term of three years on 7 July 2020 and renewed on 7 July 2023 (subject always to re-election as and when required under the Articles of Association) until termination.

Ms. CHEUNG Ho Ling Honnus, as an independent non-executive Director, has entered into an appointment letter with the Company for an initial term of three years on 13 May 2022 (subject always to re-election as and when required under the Articles of Association) until termination.

Mr. WONG Ka Fai Jimmy, as an independent non-executive Director, has entered into an appointment letter with the Company for an initial term of three years on 17 April 2023 (subject always to re-election as and when required under the Articles of Association) until termination.

None of the Directors have a service contract with the Company or any of its subsidiaries that is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

REMUNERATION POLICY

The Group's remuneration policies are based on the merits, qualifications and competence of individual employees and are reviewed by the Remuneration Committee periodically. The emoluments of the Directors are recommended by the Remuneration Committee and are decided by the Board, having regard to the Group's operating results, individual performance of each Director and comparable market statistics. The Company has adopted the Employee RSU Scheme, the Management RSU Scheme and the Share Option Scheme to align the interest of the Directors and employees with that of the Company, and to incentivise them to work towards increasing the value of the Company and its Shares.

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in notes 7 and 8 to the financial statements on pages 157 to 159 of this annual report.

Details of the senior management's emoluments are set out in the corporate governance report on page 104 of this annual report.

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 December 2023, by our Group to or on behalf of any of the Directors and senior management.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 22 to the financial statements on page 181 of this annual report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

We have entered into confidentiality and non-competition agreements with our Directors. During the year, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the year ended 31 December 2023.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTORS OF SIGNIFICANCE

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance subsisted in which a Director or an entity connected with a Director was materially interested, whether directly or indirectly, as at the end of the year or at any time during the year ended 31 December 2023.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) in relation to the directors' and officers' liability insurance is currently in force and was in force during the Listing Date to the Latest Practicable Date.

CONTRACT WITH CONTROLLING SHAREHOLDERS

No contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended 31 December 2023 and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries was entered into during the year ended 31 December 2023.

NON-COMPETITION UNDERTAKINGS

As disclosed in the Prospectus, each of our Controlling Shareholders undertook to the Company in a deed of non-competition that, subject to and except as mentioned in the Prospectus, the Controlling Shareholders would not and shall procure that its/his close associates (excluding the Group) will not carry on, engage, invest, participate or otherwise be interested in any business in the mobile advertising and mobile analytics business as described in the Prospectus that is currently or is intended to be carried on by the Company in any part of the world.

Each of them has confirmed in writing to the Company their compliance with the deed of non-competition for disclosure in this annual report during the financial year of 2023. No new business opportunity was informed by them as at 31 December 2023. The independent non-executive Directors have reviewed the implementation of the deed of non-competition undertaking and are of the view that the non-competition undertakings have been complied with by the Controlling Shareholders for the year ended 31 December 2023.

MATERIAL LEGAL PROCEEDINGS

On 27 April 2021, the Company entered into acquisition agreements with the founders ("**Vendors B**") and the financial investors ("**Vendors A**") of Reyun Data, respectively, pursuant to which the Company has conditionally agreed to acquire and Vendors A and Vendors B have conditionally agreed to sell in aggregate 100% equity interest in Reyun Data (the "**Acquisition**"). As at 31 December 2023, the Company and Vendors B (who in aggregate held approximately 52% equity interest in Reyun Data) and certain of Vendors A (who in aggregate held approximately 14% equity interest in Reyun Data) had entered into certain supplemental agreements to adjust the acquisition consideration. As at 31 December 2023, the acquisition of approximately 66% equity interest of Reyun Data has been completed by the Group. The Company is still under negotiation with the remaining Vendors A, which in aggregate own approximately 34% of the equity interest in Reyun Data (the "**Remaining Vendors A**"), to adjust and agree on the remaining portion of the acquisition consideration. For further details, please refer to the Company's announcements dated 28 April 2021, 11 May 2021, 17 September 2021, 27 October 2021, 29 November 2021, 26 January 2022 and 6 June 2022, respectively.

The Company received arbitral awards (the "**Awards**") dated 4 September 2023 and 8 September 2023 respectively issued by the Guangzhou Arbitration Commission in relation to the arbitration petition filed by the Remaining Vendors A against Reyun Technology Co., Limited* (熱雲科技(香港)有限公司) ("**Reyun Technology**", an indirect wholly-owned subsidiary of the Company which directly holds approximately 66% of the equity interest in Reyun Data) and the Company to claim for their respective portions of the consideration under the Acquisition, plus accrued interest and other ancillary costs and fees. On 15 September 2023 and 19 September 2023, the Company and Reyun Technology filed applications to the Guangzhou Intermediate People's Court to set aside the Awards. In addition, Reyun Technology has made an application to the National Development and Reform Commission ("**NDRC**") for foreign investment security review of the Acquisition, and the NDRC is currently reviewing such application. Pursuant to the Measures for the Security Review of Foreign Investment (外商投資安全審查辦法), until the NDRC returns with a decision with respect to the security review, the Company should not further proceed with completion of the equity transfer and payment pursuant to the relevant acquisition agreement or the Awards. In light of the setting aside applications in relation to the arbitral awards dated 4 September 2023 and 8 September 2023, the Company and Reyun Technology have applied for, and the Beijing No. 1 Intermediate People's Court has confirmed, a stay of enforcement of the awards, pending the outcomes of the said setting aside applications. For details, please refer to the Company's announcements dated 8 September 2023, 13 September 2023, 17 September 2023, 19 September 2023, 9 November 2023 and 13 November 2023 respectively.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 31 December 2023, the interests or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Interest in Shares

Name of Director	Nature of interest	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital
Mr. DUAN Wei[(1)]	Interest in controlled corporation	1,028,464,229 (L)	64.24%
	Beneficial owner	1,838,000 (L)	0.11%
Mr. CAO Xiaohuan	Interest in controlled corporation	2,875,000 (L)	0.18%
Mr. FANG Zikai	Interest in controlled corporation	2,969,100 (L)	0.19%
	Beneficial owner	300,000 (L)	0.02%
Mr. SONG Xiaofei[(2)]	Interest in controlled corporation	2,892,400 (L)	0.18%

Notes:

L: Long Position

(1) Guangzhou Mobvista, through its wholly-owned subsidiary Seamless, holds 1,028,464,229 Shares, representing 64.24% of total issued Shares. Mr. Duan, Guangzhou Huimao, Guangzhou Huihong and Guangzhou Duanshi directly holds 12.94%, 17.97%, 7.52% and 4.20% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao is Guangzhou Huisui, which is owned by Mr. Duan as to 95%. Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. The general partner of Guangzhou Huihong is Guangzhou Huimu, which is owned by Mr. Duan as to 70%. Guangzhou Huimu holds the entire voting and disposition power in Guangzhou Huihong. Therefore, Mr. Duan is deemed to be interested in Guangzhou Huimao's and Guangzhou Huihong's interest in Guangzhou Mobvista under the SFO. Due to Mr. Duan's ownership of 99% equity in Guangzhou Duanshi, Mr. Duan is deemed to be interested in Guangzhou Duanshi's interest in Guangzhou Mobvista under the SFO. As a result, Mr. Duan is deemed to be interested in an aggregate of 42.63% interest in Guangzhou Mobvista, and thus is further deemed to be interested in the 1,028,464,229 Shares which Guangzhou Mobvista is interested in. Apart from that, Mr. Duan owns 1,838,000 Shares directly.

(2) Out of the 2,892,400 Shares which Mr. Song Xiaofei is interested in, 400,000 Shares are underlying Shares in respect of 400,000 unvested RSUs granted to Mr. Song under the Management RSU Scheme.

(3) The calculation is based on the total number of 1,601,073,164 Shares in issue as at 31 December 2023.

(b) Interest in associated corporation

Name of Director	Associated corporation	Registered capital of the associated corporation	Nature of interests	Number of shares	Approximate percentage of shareholding in the associated corporation
Mr. DUAN Wei[1]	Guangzhou Mobvista	RMB372,644,072	Beneficial owner	48,207,872 (L)	12.94%
		RMB372,644,072	Interest in controlled corporation	110,661,980 (L)	29.70%
Mr. CAO Xiaohuan[2]	Guangzhou Mobvista	RMB372,644,072	Beneficial owner	2,410,496 (L)	0.65%
		RMB372,644,072	Interest in controlled corporation	16,575,860 (L)	4.45%

Notes:

L: Long Position

(1) Mr. Duan, Guangzhou Huimao, Guanghzhou Duanshi and Guangzhou Huihong directly holds 12.94%, 17.97%, 4.20% and 7.52% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao is Guangzhou Huisui, which is owned by Mr. Duan as to 95%. Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. The general partner of Guangzhou Huihong is Guangzhou Huimu, which is owned by Mr. Duan as to 70%. Guangzhou Huimu holds the entire voting and disposition power in Guangzhou Huihong. Therefore, Mr. Duan is deemed to be interested in Guangzhou Huimao's and Guangzhou Huihong's interest in Guangzhou Mobvista under the SFO. Due to Mr. Duan's ownership of 99% equity in Guangzhou Duanshi, Mr. Duan is deemed to be interested in Guangzhou Duanshi's interest in Guangzhou Mobvista under the SFO.

(2) Mr. Cao, Guangzhou Huichun Investment Holdings Limited and Guangzhou Huiqian directly holds 0.65%, 1.28% and 3.17% interest in Guangzhou Mobvista, respectively. Guangzhou Huichun Investment Holdings Limited is a company in which Mr. Cao holds 99% equity interest. The general partner of Guangzhou Huiqian is Mr. Cao, who held 1% interest in Guangzhou Huiqian. The limited partners of Guangzhou Huiqian are Mr. XI Yuan, Mr. Fang, Mr. WANG Ping, Guangzhou Huichun Investment Holdings Limited (which is owned by Mr. Duan as to 99%) and Guangzhou Duanshi (which is owned by Mr. Duan as to 99%), holding 27.26%, 27.26%, 27.26%, 14.63% and 2.58% interest in Guangzhou Huiqian, respectively. Currently, the general partner, namely Mr. Cao, holds the entire voting and disposition power in Guangzhou Huiqian.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2023, the following persons will have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company and are therefore regarded as substantial shareholders of our Company under the Listing Rules:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding in our Company
Seamless[1]	Beneficial owner	1,028,464,229 (L)	64.24%
Guangzhou Mobvista[1]	Interest in controlled corporation	1,028,464,229 (L)	64.24%
Mr. DUAN Wei[2]	Interest in controlled corporation	1,028,464,229 (L)	64.24%
	Beneficial owner	1,838,000 (L)	0.11%
GIC Private Limited	Investment Manager	130,189,000 (L)	8.13%

Notes:

L: Long Position

(1) Seamless holds 1,028,464,229 Shares in the Company, representing 64.24% of the issued Shares. Seamless is wholly-owned by Guangzhou Mobvista. Therefore, Guangzhou Mobvista is deemed to be interested in the 1,028,464,229 Shares held by Seamless under the SFO.

(2) Mr. Duan, Guangzhou Huimao, Guangzhou Dushi and Guangzhou Huihong directly holds 12.94%, 17.97%, 4.20% and 7.52% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao is Guangzhou Huisui, which is owned by Mr. Duan as to 95%; Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. The general partner of Guangzhou Huihong is Guangzhou Huimu, which is owned by Mr. Duan as to 70%. Guangzhou Huimu holds the entire voting and disposition power in Guangzhou Huihong. Therefore, Mr. Duan is deemed to be interested in Guangzhou Huimao's and Guangzhou Huihong's interest in Guangzhou Mobvista under the SFO. Due to Mr. Duan's ownership of 99% equity in Guangzhou Duanshi, Mr. Duan is deemed to be interested in Guangzhou Duanshi's interest in Guangzhou Mobvista under the SFO. As a result, Mr. Duan is deemed to be interested in an aggregate of 42.63% interest in Guangzhou Mobvista, and thus is further deemed to be interested in the 1,028,464,229 Shares which Guangzhou Mobvista is interested in. Apart from that, Mr Duan owns 1,838,000 Shares directly.

(3) The calculation is based on the total number of 1,601,073,164 Shares in issue as at 31 December 2023.

Apart from the foregoing, the Company had not been notified of any other interest by prescribed notices which are required to be recorded in the register kept under section 336 of the SFO.

RSU SCHEMES

(a) Employee RSU Scheme

We adopted the Employee RSU Scheme on 27 September 2018, as amended on 19 November 2018, 7 December 2020 and 22 February 2022. The purpose of the Employee RSU Scheme is to motivate employees and consultants to contribute to the Group and to attract and retain talent for the future growth of the Group. The Company has appointed Sovereign Trustees Limited as the Employee RSU trustee to assist with the administration and vesting of RSUs granted pursuant to the Employee RSU Scheme. The Company selects the Employee RSU participants under the RSU Scheme at its discretion. On a poll on a matter which is required by the Listing Rules to be approved by Shareholders, the trustee shall abstain from voting on the unvested shares held by him/her. The Employee RSU Scheme is a share scheme funded by existing Shares.

Details of the Employee RSU Scheme are as follows:

1) Scheme participants

Persons eligible to receive RSUs under the Employee RSU Scheme (the "**Employee RSU Eligible Persons**") include existing employees and consultants of the Company or any of its subsidiaries, excluding persons who are Directors, members of senior management and core connected persons of the Company or who is resident in a place where the award of the Shares and/or the vesting of the transfer of the Shares pursuant to the Employee RSU Scheme is not permitted under the laws and regulations of such place or where, in the view of the Employee RSU administrator or the Employee RSU trustee as the case may be, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such person. The Employee RSU administrator selects the Employee RSU Eligible Persons to receive RSUs under the Employee RSU Scheme at its discretion.

2) Maximum number of underlying Shares that may be granted

The maximum number of underlying Shares that may be granted under the Employee RSU Scheme is 139,249,858 Shares, representing approximately 8.75% of the issued Share capital of the Company (i.e. 1,590,857,164 Shares) as at the Latest Practicable Date.

3) Vesting period for the grant of RSUs

The vesting period is determined at the discretion of the Employee RSU administrator. The Employee RSU Scheme does not specify a minimum vesting period.

4) Payment on acceptance of the RSUs

An RSU gives an Employee RSU participant a conditional right when the RSU vests to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of exercise of the RSUs, less any tax, stamp duty and other charges applicable. Participants are not required to pay any fees in connection with the acceptance of RSUs but are required to pay or deduct any taxes, levies, stamp duties and other expenses applicable to the transfer or sale of Shares.

5) ***Maximum entitlement of each participant***

There is no specific limitation on the maximum entitlement of each participant under the Employee RSU Scheme.

6) ***Term of the Employee RSU Scheme***

The Employee RSU Scheme is and will be valid and effective for a period of ten (10) years, commencing from the date of the first grant of the RSUs, being 1 November 2018.

As at 31 December 2023, the Company has granted a total of 140,828,457 RSUs to participants under the Employee RSU Scheme, of which 101,489,629 RSUs had been vested and 24,512,030 RSUs had lapsed. None of the grantees of the RSUs under the Employee RSU Scheme are Directors, members of the senior management of the Company or otherwise core connected person(s) of the Company. As at the Latest Practicable Date, the total number of RSUs available for grant under the Employee RSU Scheme is 18,820,897 Shares (including RSUs that have lapsed and are available for re-granting), representing approximately 1.18% of the Shares in issue (i.e. 1,590,857,164 Shares) as at the Latest Practicable Date.

As at 31 December 2023, below are the details of the RSUs granted and outstanding under the Employee RSU Scheme:

Participant name/ category	Date of grant	Vesting period	Unvested as of 1 January 2023	Granted in the year ended 31 December 2023	Vested in the year ended 31 December 2023	Lapsed in the year ended 31 December 2023	Cancelled in the year ended 31 December 2023	Unvested as of 31 December 2023
Five employees with the highest emoluments	10 August 2022	2 January 2023	253,600	0	253,600	0	0	0
	10 November 2022	30 April 2023	100,000	0	100,000	0	0	0
	2023[3]	31 May 2023 to 30 April 2024	0	1,897,500	1,570,000	0	0	327,500
Other employees	1 December 2019	2 January 2023 to 2 January 2024	160,000	0	80,000	10,000	0	70,000
	10 June 2020	31 January 2023 to 31 January 2024	586,060	0	467,278	22,704	0	96,078
	10 December 2020	2 January 2023 to 2 January 2025	60,000	0	20,000	20,000	0	20,000
	10 March 2021	2 January 2023 to 2 January 2025	32,500	0	15,000	0	0	17,500
	22 February 2022	2 January 2023 to 30 June 2025	430,600	0	150,600	60,000	0	220,000
	10 March 2022	30 November 2023 to 30 November 2025	210,000	0	70,000	0	0	140,000
	10 June 2022	2 January 2023 to 30 April 2026	2,173,353	0	645,039	1,238,532	0	289,782
	10 July 2022	31 January 2023 to 31 January 2026	800,000	0	200,000	600,000	0	0
	10 August 2022	2 January 2023 to 31 July 2026	9,335,343	0	9,219,580	40,000	0	75,763
	10 October 2022	31 January 2023 to 30 April 2026	1,451,652	0	716,000	735,652	0	0
	10 November 2022	2 January 2023 to 30 April 2026	3,762,425	0	3,211,925	460,500	0	90,000
	10 December 2022	2 January 2023 to 30 April 2023	1,278,300	0	1,222,800	55,500	0	0
	2023[3]	28 February 2023 to 31 July 2027	0	18,196,467	3,600,325	1,115,967	0	13,480,175
Total			**20,633,833**	**20,093,967**	**21,542,147**	**4,358,855**	**0**	**14,826,798**

Notes:

1. With respect to the five employees with the highest emoluments, the weighted average closing market price per Share immediately prior to the date of vesting in 2023 was HK$3.76 per Share.

2. With respect to other employees, the weighted average closing market price per Share immediately prior to the date of vesting in 2023 was HK$4.00 per Share.

3. The grants listed below were made in the year ended 31 December 2023:

Participant name/category	Date of grant	Date of vesting	Granted in the year ended 31 December 2023	Closing market price per Share immediately prior to the grant date (HK$)	Fair value per Share on grant date (US$)
Five employees with the highest emoluments	10 April 2023	31 May 2023	70,000	4.2	0.52
	10 April 2023	31 July 2023	500,000	4.2	0.52
	10 April 2023	31 August 2023	1,000,000	4.2	0.52
	10 October 2023	2 January 2024	212,500	3.21	0.41
	11 December 2023	30 April 2024	115,000	2.89	0.37
Other employees	10 January 2023	28 February 2023	152,800	4.9	0.61
	10 January 2023	30 April 2023	970,479	4.9	0.61
	10 January 2023	31 May 2023	4,000	4.9	0.61
	10 January 2023	30 April 2024	63,730	4.9	0.61
	10 January 2023	30 April 2025	63,730	4.9	0.61
	10 January 2023	30 April 2026	57,000	4.9	0.61
	10 April 2023	31 May 2023	399,600	4.2	0.52
	10 April 2023	31 July 2023	1,275,750	4.2	0.52
	10 April 2023	31 October 2023	1,849,703	4.2	0.52
	10 October 2023	2 January 2024	5,027,450	3.21	0.41
	10 October 2023	31 January 2024	1,277,250	3.21	0.41
	10 October 2023	30 March 2024	100,000	3.21	0.41
	10 October 2023	30 April 2024	312,000	3.21	0.41
	10 October 2023	31 July 2024	100,000	3.21	0.41
	10 October 2023	2 January 2025	27,500	3.21	0.41
	10 October 2023	30 March 2025	100,000	3.21	0.41
	10 October 2023	30 April 2025	99,500	3.21	0.41
	10 October 2023	31 July 2025	100,000	3.21	0.41
	10 October 2023	30 March 2026	100,000	3.21	0.41
	10 October 2023	30 April 2026	19,000	3.21	0.41
	10 October 2023	31 July 2026	100,000	3.21	0.41
	10 October 2023	30 March 2027	100,000	3.21	0.41
	10 October 2023	30 April 2027	19,000	3.21	0.41
	10 October 2023	31 July 2027	100,000	3.21	0.41
	11 December 2023	2 January 2024	345,000	2.89	0.37
	11 December 2023	30 April 2024	5,407,975	2.89	0.37
	11 December 2023	30 April 2025	25,000	2.89	0.37
Total			**20,093,967**		

(b) Management RSU Scheme

We adopted the Management RSU Scheme on 19 November 2018, as amended on 7 December 2021 and 22 February 2022. The purpose of the Management RSU Scheme is to motivate the directors, senior management, executives and consultants of the Company and its subsidiaries to contribute to the Group and to attract and retain talent for the future growth of the Group. The Company has appointed Sovereign Fiduciaries (Hong Kong) Limited as the Management RSU trustee to assist with the administration and vesting of RSUs granted pursuant to the Management RSU Scheme. Connected Globe Holdings Limited (a wholly-owned subsidiary of the Management RSU Trustee) holds and manages shares underlying the RSUs for the benefit of eligible participants pursuant to the Management RSU Scheme. On a poll on a matter which is required by the Listing Rules to be approved by Shareholders, the trustee shall abstain from voting on the unvested shares held by him/her. The Management RSU Scheme is a share scheme funded by existing Shares.

Details of the Management RSU Scheme are as follows:

1) Scheme participants

Persons eligible to receive RSUs under the Management RSU Scheme (the "**Management RSU Eligible Persons**") include senior management, Directors (whether executive or non-executive but excluding independent non-executive Directors) and officers of the Company or any of its subsidiaries, excluding any person who is resident in a place where the award of the Shares and/or the vesting of the transfer of the Shares pursuant to the Management RSU Scheme is not permitted under the laws and regulations of such place or where in the view of the Management RSU administrator or the Management RSU trustee as the case may be, compliance with applicable laws and regulations in such place makes in necessary or expedient to exclude such person. The Management RSU administrator selects the Management RSU Eligible Persons to receive RSUs under the Management RSU Scheme at its discretion.

2) Maximum number of underlying Shares that may be granted

The maximum number of underlying Shares that may be granted under the Management RSU Scheme is 58,203,913 Shares, representing approximately 3.66% of the issued share capital of the Company (i.e. 1,590,857,164 Shares) as at the Latest Practicable Date.

3) Vesting period for the grant of RSUs

The vesting period is determined at the discretion of the Management RSU administrator. The Management RSU Scheme does not specify a minimum vesting period.

4) Payment on acceptance of the RSUs

An RSU gives a Management RSU participant a conditional right when the RSU vests to obtain either RSUs or an equivalent value in cash with reference to the market value of the RSUs on or about the date of exercise of the RSUs, less any tax, stamp duty and other charges applicable. Participants are not required to pay any fees in connection with the acceptance of RSUs but are required to pay or deduct any taxes, levies, stamp duties and other expenses applicable to the transfer or sale of Shares.

5) *Maximum entitlement of each participant*

There is no specific limit on the maximum entitlement of each participant under the Management RSU Scheme.

6) *Term of the Management RSU Scheme*

The Management RSU Scheme is and will be valid and effective for a period of ten (10) years, commencing from the date of the first grant of the RSUs, being 21 November 2018.

As at 31 December 2023, the Company has granted a total of 21,607,200 RSUs to participants under the Management RSU Scheme, of which 17,629,600 RSUs had been vested and 2,747,600 RSUs had lapsed. As at the Latest Practicable Date, the total number of RSUs available for grant under the Management RSU Scheme is 39,344,313 Shares (including RSUs that have lapsed and are available for re-granting), representing approximately 2.47% of the Shares in issue (i.e. 1,590,857,164 Shares) as at the Latest Practicable Date.

As at 31 December 2023, below are the details of the RSUs granted and outstanding under the Management RSU Scheme:

Participant name/ category	Date of grant	Date of vesting	Unvested as of 1 January 2023	Granted in the year ended 31 December 2023	Vested in the year ended 31 December 2023	Lapsed in the year ended 31 December 2023	Cancelled in the year ended 31 December 2023	Unvested as of 31 December 2023
Director								
SONG Xiaofei	10 November 2022	30 April 2023	300,000	0	300,000	0	0	0
	11 December 2023	30 April 2024	0	400,000	0	0	0	400,000
Five employees with the highest emoluments	10 November 2022	30 April 2023	750,000	0	750,000	0	0	0
	11 December 2023	30 April 2024	0	830,000	0	0	0	830,000
Other management	11 December 2020	30 April 2023	180,600	0	0	180,600	0	0
Total			**1,230,600**	**1,230,000**	**1,050,000**	**180,600**	**0**	**1,230,000**

Notes:

1. With respect to Mr. SONG, the weighted average closing market price immediately prior to the vesting on 30 April 2023 was HK$3.90 per Share.

2. The closing market price immediately prior to the grant on 11 December 2023 was HK$2.89 per Share, with a fair value of US$0.37 on the grant date.

3. With respect to the five employees with the highest emoluments, the weighted average closing market price immediately prior to the vesting on 30 April 2023 was HK$3.9 per Share.

4. The closing market price immediately prior to the grant on 11 December 2023 was HK$2.89 per Share, with a fair value of US$0.37 on the grant date.

5. With respect to the other management, the weighted average closing market price immediately prior to the vesting in 30 April 2023 was HK$3.90 per Share.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved and adopted by our Shareholders on 30 October 2018, and became effective on the Listing Date. The purpose of the Share Option Scheme is to incentivise and reward eligible persons for their contribution to our Group and to align their interests with that of our Company so as to encourage them to work towards enhancing the value of our Company.

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted, and the provisions of the Share Option Scheme shall remain in full force and effect only to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme.

During the Reporting Period, no share option was granted under the Share Option Scheme.

A summary of the Share Option Scheme is set out below:

1) Eligible persons

The Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Share Option Scheme) may, at its absolute discretion, offer to grant an option to subscribe for such number of Shares as the Board may determine to an employee (whether full time or part-time) or a director of a member of our Group or associated companies of our Company ("**Eligible Persons**").

2) Maximum number of Shares in respect of which options may be granted

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes (if any) of our Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date (the "**Scheme Mandate Limit**"). As at the Latest Practicable Date, the total number of Shares available for issue under the Share Option Scheme is 151,886,700 Shares, representing approximately 9.55% of the Shares in issue (i.e. 1,590,857,164 Shares) as at the Latest Practicable Date.

The Board may, with the approval of the Shareholders in general meeting, refresh the Scheme Mandate Limit provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company (the "**Other Schemes**") under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of on which the Shareholders approve the refreshment of the Scheme Mandate Limit. The Board may, with the approval of the Shareholders in general meeting, grant options to any Eligible Person who, as specifically identified by the Board, would cause the Scheme Mandate Limit to be exceeded. Our Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking approval from the Shareholders.

At any time, the maximum number of Shares which may be issued upon the exercise of all outstanding options which have been granted and not yet exercised under the Share Option Scheme and any Other Schemes of our Company to Eligible Persons must not exceed 30% of the total number of Shares in issue from time to time. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or independent financial adviser appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of our Company whether by way of capitalization of profits or reserves, right issue, consolidation or subdivision of shares, or reduction of the share capital of our Company provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction.

3) Maximum entitlement of each individual

No options shall be granted to any Eligible Person under the Share Option Scheme and any Other Schemes of our Company which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all options granted to him (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of offer of such options, exceeds 1% of the Shares in issue at such date.

Any further grant of options to an Eligible Person in excess of this 1% limit shall be subject to the approval of the Shareholders in general meeting with such Eligible Person and his close associates (or if such Eligible Person is a connected person of our Company, his associates) abstaining from voting. Our Company must send a circular to the Shareholders disclosing the identity of the Eligible Person in question, the number and terms of the options to be granted (and options previously granted to such Eligible Person) and such other information required under the Listing Rules.

The number and terms (including the exercise price) of the options to be granted to such Eligible Person must be fixed before Shareholders' approval and the date of the Board meeting approving such further grant shall be taken as the date of grant for the purpose of determining the exercise price of the options.

4) Option Period

Any option which remain unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option.

5) Exercise Period of Share Options

Unless the exercise of an option would, in the opinion of the Board, be in breach of a statutory or regulatory requirement or unless the Board determines otherwise in its absolute discretion, any option (1) which has been vested; (2) of which conditions have been satisfied or waived by the Board in its sole discretion; and (3) which has not lapsed, may be exercised at any time from the next Business Day after the offer of the option has been accepted by an option-holder pursuant to the Share Option Scheme.

6) Payment on acceptance of the Option and the period within which payments must be made

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and be notified to the Eligible Person concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Share Option Scheme. An offer of options which has not been accepted within this period shall lapse.

An amount of HK$1.00 is payable upon acceptance of the grant of an option and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

7) Basis of determining the exercise price

Subject to any adjustment made as described in the rules of Share Option Scheme, the exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of offer of the option;

(ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and

(iii) the nominal value of the Shares.

8) Remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after the period of which no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme.

As at the beginning and the end of the Reporting Period, the Company had no outstanding and unexercised share options. Additionally, during the Reporting Period, the Company did not grant, exercise, cancel, or expire any share options. As at the beginning and the end of the Reporting Period, the number of Shares available for grant under the Scheme Mandate Limit was 151,886,700 Shares and 151,886,700 Shares, respectively.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

MATERIAL RELATED PARTY TRANSACTIONS

The material related party transactions which were undertaken in the normal course of business are set out in note 28 to the consolidated financial statements.

CONNECTED TRANSACTIONS

Property Lease Agreement

On 29 December 2020, Mobvista Technology, an indirect wholly-owned subsidiary of the Company, entered into property lease agreements (collectively referred to as the "**Previous Property Lease Agreements**") with each of Guangzhou Ruisou, Guangzhou Huichun, and Duan Shi Industrial Investment (Guangzhou) Co., Ltd. (now renamed as "Xin Heng Industrial Investment (Guangzhou) Co., Ltd."[(1)]), respectively, for a term of three years during 1 January 2021 to 31 December 2023. Guangzhou Ruisou is wholly-owned by Guangzhou Mobvista, while Guangzhou Huichun and Duan Shi Industrial Investment (Guangzhou) Co., Ltd. are controlled by Mr. Cao and Mr. Duan, respectively. Therefore, each of Guangzhou Ruisou, Guangzhou Huichun and Duan Shi Industrial Investment (Guangzhou) Co., Ltd. is a connected person of the Company under the Listing Rules.

Details of the Previous Property Lease Agreements, which remain valid until 31 December 2023 are set out below:

Landlord	Tenant	Location	Approximate gross floor area (sq.m.)	Approximate Monthly Rental (RMB)	Intended use	Duration of Agreement
Guangzhou Ruisou	Mobvista Technology	Units 02–04 and 06–12 of 44/F, and Units 01–04 and 06–12 of 43/F, Tianying Plaza (East Tower), No. 222–3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	4,719	2021: RMB1,456,873.47 (equivalent to US$223,279.05) 2022: RMB1,529,717.14 (equivalent to US$234,443.00) 2023: RMB1,606,203.00 (equivalent to US$246,165.15)	Office	Three years
Guangzhou Huichun	Mobvista Technology	Unit 05, 43/F, Tianying Plaza (East Tower), No. 222–3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	310	2021: RMB95.814.65 (equivalent to US$14,684.46 2022: RMB100,605.38 (equivalent to US$15,418.69) 2023: RMB105,635.65 (equivalent to US$16,189.62)	Office	Three years
Duan Shi Industrial Investment (Guangzhou) Co., Ltd. (now renamed as "**Xin Heng Industrial Investment (Guangzhou) Co., Ltd.**"[(1)]),	Mobvista Technology	Unit 05, 44/F, Tianying Plaza East Tower), No. 222–3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	310	2021: RMB95,636.03 (equivalent to US$14,657.09) 2022:RMB100,417.83 (equivalent to US$15,389.94) 2023:RMB105,438.72 (equivalent to US$16,159.44)	Office	Three years

Note:

(1) In September 2023, Mr. Duan and his controlled entity, Guangzhou Duan Shi, transferred 100% of their equity in Duan Shi Industrial Investment (Guangzhou) Co., Ltd. to a third party. Simultaneously, Duan Shi Industrial Investment (Guangzhou) Co., Ltd. was renamed as Xin Heng Industrial Investment (Guangzhou) Co., Ltd. and is no longer considered a connected person of our company.

During the year ended 31 December 2023, the actual rentals paid by Mobvista Technology under the Previous Property Lease Agreements amount to RMB21.8 million.

As the Previous Property Lease Agreements were set to expire on 31 December 2023, on 22 December 2023, Mobvista Technology entered into renewed property lease agreements with Guangzhou Ruisou and Guangzhou Huichun (collectively referred to as the "**Renewed Property Lease Agreements**"), which are valid for a period of three years from 1 January 2024 to 31 December 2026. The Previous Property Lease Agreements have expired and are no longer in effect. Since both of Guangzhou Ruisou and Guangzhou Huichun are connected persons of the Company under the Listing Rules, entering into the Renewed Property Lease Agreements constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

Landlord	Tenant	Location	Approximate gross floor area (sq.m.)	Approximate monthly rental (RMB)	Intended use	Duration of agreement
Guangzhou Ruisou	Mobvista Technology	Units 02–04 and 06–12 of 44/F, and Units 01–04 and 06–12 of 43/F, Tianying Plaza (East Tower), No.222-3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	4,719	2024: RMB1,456,873.47 2025: RMB1,529,717.14 2026: RMB1,606,203.00	Office	Three years
Guangzhou Huichun	Mobvista Technology	Unit 05, 43/F, Tianying Plaza (East Tower), No. 222-3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	310	2024: RMB95,814.65 2025: RMB100,605.38 2026: RMB105,635.65	Office	Three years

Continuing Connected Transactions Relating to the Digital Marketing Service

On 30 August 2022, Mintegral International, an indirect wholly-owned subsidiary of the Company, and Marketlogic Technology entered into (i) the Digital Marketing Service (Mintegral) Master Agreement, pursuant to which, among others, Mintegral International agreed to provide digital marketing services to Marketlogic Technology on the Mintegral platform; and (ii) the Digital Marketing Service (Top Media) Master Agreement, pursuant to which Marketlogic Technology agreed to provide digital marketing services to Mintegral International on top media platforms.

Mr. Duan is interested in approximately 42.63% of the issued share capital of Marketlogic Technology. Therefore, according to Chapter 14A of the Listing Rules, Marketlogic Technology is a connected person of the Company.

Details of the agreements are set out below:

Agreement	Time Limit	Principal terms	Pricing policies
Digital Marketing Service (Mintegral) Master Agreement	From August 30, 2022, to December 31, 2024	Marketlogic Technology (and/or its affiliates) entrusts Mintegral International (and/or its affiliates) to perform digital marketing and other related services on Mintegral platform. Mintegral International guarantees that the services it provides shall be in compliance, in all material aspects, with all applicable laws enacted in the countries and regions in which it provides services to Marketlogic Technology.	Charged on a Cost Per Action or Cost Per Install basis as elected by Mintegral International based on the data collected by Mintegral International.
Digital Marketing Service (Top Media) Master Agreement	From August 30, 2022, to December 31, 2024	Mintegral International (and/or its affiliates) entrusts Marketlogic Technology (and/or its affiliates) to perform digital marketing and other related services on top media platforms. Marketlogic Technology guarantees that the products and digital marketing content it provides to Mintegral International shall be in compliance with all applicable laws and media platform policies, and shall not be in violation of the rights of any third party.	Charged on a Cost Per Click or Cost Per Install basis as elected by Marketlogic Technology based on the data collected by Marketlogic Technology.

The proposed annual caps for the service fees payable by Marketlogic Technology to Mintegral International under the Digital Marketing Service (Mintegral) Master Agreement and the same payable by Mintegral International to Marketlogic Technology under the Digital Marketing Service (Top Media) Master Agreement are as follows:

	From 30 August 2022 to 31 December 2022 (US$'000)	For the year ended 31 December 2023 (US$'000)	For the year ending 31 December 2024 (US$'000)
Proposed annual caps of the Digital Marketing Service (Mintegral) Master Agreement	8,000	20,000	20,000
Proposed annual caps of the Digital Marketing Service (Top Media) Master Agreement	2,000	2,500	2,500

During the year ended 31 December 2023, the actual transaction amount under the Digital Marketing Service (Mintegral) Master Agreement was US$19.63 million, and the actual transaction amount under the Digital Marketing Service (Top Media) Master Agreement was US$0.66 million.

The Company's independent non-executive Directors have reviewed the continuing connected transactions in accordance with Rule 14A.55 of the Listing Rules and confirmed that they were entered into in the ordinary and usual course of the Group's business, on normal commercial terms or better, and according to the Digital Marketing Service (Mintegral) Master Agreement and the Digital Marketing Service (Top Media) Master Agreement, on terms that are fair and reasonable and in the overall interests of the Company and its shareholders.

The Board has engaged its auditor to perform an annual review of the continuing connected transactions, and the auditor has confirmed nothing has come to their attention that causes them to believe that the continuing connected transactions (i) have not been approved by the Board of directors; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) the actual transaction amount have exceeded the cap.

CONTRACTUAL ARRANGEMENTS ENTERED INTO BY THE GROUP

On 12 January 2023, an indirect wholly-owned subsidiary of the Company, Guangzhou Huiliang Cloud Computing Technology Co., Ltd (the "**WFOE**"), entered into certain agreements (the "**VIE Agreements**") with, inter alia, Mobvista Cloud (Beijing) Technology Company Limited (the "**OPCO**", and together with its subsidiaries, the "**OPCO Group**") and its registered shareholders Mr. Cao Xiaohuan and Mr. Song Xiaofei (the "**Registered Shareholders**") (who are both executive Directors), to enable the Company to control and enjoy substantially all economic benefits of the visual development and operations (DevOps) service platform business operated by the OPCO Group (the "**Contractual Arrangements**"). Under the Contractual Arrangements, the Company will in substance acquire 100% equity interest of the OPCO at nil consideration, the financial results of the OPCO Group will be accounted for and consolidated into the accounts of the Group. The OPCO will therefore be accounted for as if it is a wholly-owned subsidiary of the Company.

For the financial year ended 31 December 2023, the revenue from external customers of the Group generated by the OPCO Group amounted to US$42,306, representing approximately 0.00% of the total revenue of the Group. As at 31 December 2023, the assets that were subject to the Contractual Arrangements amounted to US$2,546,052 representing approximately 0.37% of the total assets of the Group.

During the financial year ended 31 December 2023, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted.

During the financial year ended 31 December 2023, there was no termination of the Contractual Arrangements or failure to terminate when the restrictions that led to the adoption of the Contractual Arrangements were removed.

Material Terms of the VIE Agreements

A summary of the material terms of the VIE Agreements is set out below:

- Exclusive Business Cooperation Agreement: Under the Exclusive Business Cooperation Agreement, the OPCO agreed to engage the WFOE or its designated party as its exclusive service provider to provide business support, technical services and consulting services. The service fee payable by the OPCO to the WFOE shall be equal to 100% of the net income of the OPCO (the "**Service Fee**").

- Exclusive Option Agreement: The Registered Shareholders irrevocably granted, to the extent permitted under PRC law, an exclusive option to the WFOE to purchase all or part of the current and future equity interest in the OPCO held by the Registered Shareholders at any time.

- Equity Pledge Agreement: The Registered Shareholders agreed to pledge all their current and future equity interest in the OPCO to the WFOE as security to guarantee the performance of the Registered Shareholders' and the OPCO's obligations under the Exclusive Business Cooperation Agreement, including but not limited to payment of the Service Fee.

- Power of Attorney: Each of the Registered Shareholders irrevocably agreed to appoint the WFOE as their attorney-in-fact to exercise, on their behalf, certain rights in relation to their equity interest in the OPCO, including the right to attend shareholders' meetings and to exercise all shareholders' rights and voting rights, etc.

- Consent letter from the spouses of each of the Registered Shareholders: the spouses of each of the individual Registered Shareholders entered into a consent letter pursuant to which they agreed (i) not to make any claim on the equity interest in the OPCO held by the individual Registered Shareholders; (ii) to take all necessary actions to ensure that the VIE Agreements are properly performed; and (iii) if they acquire any equity interest in the OPCO for any reason, they shall be bound by the VIE Agreements.

Reasons for Entering into the Contractual Arrangements

The Company believes that the visual DevOps service platform business (the "**Prohibited Business**") operated by the OPCO Group can further enrich the Group's marketing technology tool matrix, provide mobile application developers with more diversified service solutions, enhance customer value and stickiness, and have a strong synergy with the advertising technology business, thus enabling the Group to achieve advertising technology and marketing technology dual-driven business growth strategy. Nevertheless, such business falls within the "B11 internet data center" business scope which is prohibited from foreign investment under the PRC laws.

The OPCO was established under PRC laws as a limited liability company by the Registered Shareholders on 17 November 2021. The OPCO Group is principally engaged in the internet data centre business in the PRC and has already obtained the value-added telecommunication business operation licence from the Beijing City Communications Administration (北京市通信管理局) (the "**Licence**"). In view of the foreign investment restrictions in the PRC as stated above and after consulting its PRC legal advisor, the Group is not allowed to directly or indirectly own any equity interest in the OPCO. The Contractual Arrangements were designed to set up a structure under which the Company has the power to control and the right to enjoy substantially all economic benefits of the Prohibited Business operated by the OPCO Group (the "**VIE Structure**"). The Registered Shareholders did not receive any consideration for entering into the Contractual Arrangements.

Save for the restrictions on the aforesaid foreign ownership under PRC laws, there are no other requirements that the Contractual Arrangements are subject to.

Risks Relating to the Contractual Arrangements and Actions Taken by the Company to Mitigate Them

There are certain risks that are associated with the Contractual Arrangements, including:

(1) Economic risks of the Company

Under PRC laws, the Company or the WFOE, as the primary beneficiary of the OPCO, is not expressly required to share the losses of the OPCO or provide financial support to the OPCO. Despite the foregoing, given that the Group conducts the Prohibited Business in the PRC through the OPCO which holds the requisite Licence and approvals, and that the OPCO's financial condition and results of operations are consolidated into the Group's financial condition and results of operations under the applicable accounting principles, the Company's business, financial condition and results of operations would be adversely affected if the OPCO suffers losses and the Company or the WFOE may have to provide financial support in the event of financial difficulty of the OPCO.

(2) Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and its impact on the viability of the Contractual Arrangements and the VIE Structure.

On 15 March 2019, the National People's Congress of the PRC approved the foreign investment law (the "**Foreign Investment Law**"), which came into effect on 1 January 2020 and replaced the existing laws regulating foreign investment in the PRC, namely the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. On 26 December 2019, the State Council of the PRC adopted the Implementation Regulations for Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例), which came into effect on 1 January 2020 (the "**Implementation Regulations**"). The Foreign Investment Law and the Implementation Regulations embody the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation. Despite there being no indication currently that the Contractual Arrangements will be interfered with or objected to by any PRC regulatory authorities, there is a possibility that the relevant PRC regulatory authorities may have different opinions regarding the interpretation of the relevant regulations and would not agree that the VIE Agreements comply with the current PRC laws or those that may be adopted in future, and the PRC regulatory authorities may deny the validity, effectiveness and enforceability of the VIE Agreements.

(3) *The VIE Agreements may not be as effective in providing control over and entitlement to the economic interests in the OPCO as direct ownership of the OPCO*

The Contractual Arrangements may not be as effective in providing the WFOE with control over and entitlement to the economic interests in the OPCO as direct ownership of the OPCO. If the WFOE had direct ownership of the OPCO, the WFOE would be able to directly exercise its rights as a shareholder to effect changes in the board of directors of the OPCO. However, under the Contractual Arrangements, the WFOE can only exercise control over the OPCO by relying on the OPCO to perform its contractual obligations under the Contractual Arrangements. The OPCO may not act in the best interests of the WFOE or may not perform its obligations under the Contractual Arrangements. However, if any dispute relating to the Contractual Arrangements remains unresolved, the WFOE will have to enforce its rights under the Contractual Arrangements and seek to interpret the terms of the Contractual Arrangements in accordance with PRC laws, which is subject to uncertainties in the PRC legal system.

(4) *Potential conflicts of interest*

The WFOE shall rely on the Contractual Arrangements to exercise control over and to receive economic benefits from the OPCO. In case of a conflict of interest or deterioration in the relationship between the Registered Shareholders, the OPCO and the WFOE, or where the current Registered Shareholders and the OPCO are in breach of the Contractual Arrangements, the WFOE's business, prospects and results of operation may be materially and adversely affected. It cannot be assured that if conflicts arise, the Registered Shareholders or the OPCO will act in the best interests of the WFOE or that the conflicts will be resolved in favor of the WFOE. If the Registered Shareholders or the OPCO fails to perform its obligations under the respective Contractual Arrangements, the WFOE may have to rely on legal remedies under PRC laws through legal proceedings, which may be expensive, time-consuming and disruptive to the WFOE's operations and may be subject to uncertainties as discussed above.

(5) *The VIE Agreements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed*

The Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed on the WFOE. The WFOE may face adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements were not entered into based on arm's length negotiations. If the PRC tax authorities determine that the Contractual Arrangements were not entered into on an arm's length basis, they may adjust the income and expenses of the WFOE for the PRC tax purposes, which could result in higher tax liabilities on the WFOE. The operation results of the WFOE may be materially and adversely affected if the tax liabilities of the OPCO or those of the WFOE increase significantly or if they are required to pay interest on late payments.

(6) *The WFOE's ability to acquire the entire equity interest in the OPCO may be subject to various limitations and substantial costs*

In case the WFOE exercises its option to acquire the entire equity interest in the OPCO under the Exclusive Option Agreement, such acquisition will be subject to the restrictions and relevant procedures under applicable PRC laws.

In addition, such an acquisition may be subject to a minimum price limitation (such as an appraised value for the entire equity interest in the OPCO) or other limitations as imposed by applicable PRC laws. Further, a transfer of ownership of the OPCO may result in the incurrence of substantial costs, expenses and time, which may materially and adversely affect the WFOE's businesses, prospects and results of operation.

The Group has adopted measures to ensure the effective operation of the Group's businesses and the implementation and compliance with the Contractual Arrangements, including:

- major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;
- the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year; and
- the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, the legal compliance of WFOEs and the OPCO Group and to deal with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waivers from the Stock Exchange

Each of the Registered Shareholders is an executive Director and therefore a connected person of the Company. As the equity interest of the OPCO is held as to not less than 30% by each of the Registered Shareholders, the OPCO is an associate of each of the Registered Shareholders, and therefore also a connected person of the Company. Accordingly, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with (i) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, and (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules subject to, among others, the following conditions:

(a) no change to the terms of any of the Contractual Arrangements shall be made without independent non-executive Directors' approval;

(b) no change to the terms of any of the Contractual Arrangements shall be made without independent Shareholders' approval;

(c) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the OPCO Group;

(d) on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding, on one hand, and the OPCO, on the other hand, such framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Company's shareholders, on substantially the same terms and conditions as those of the Contractual Arrangements; and

(e) the Company will disclose details relating to the Contractual Arrangements on an on-going basis.

Annual Review by the Independent Non-Executive Directors and the Auditor

Our independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that: the transactions carried out during the year ended 31 December 2023 had been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the Contractual Arrangements, on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole, and that no dividends or other distributions have been made by the OPCO to the holders of its equity interest which are not otherwise subsequently assigned or transferred to the Group.

Our auditor has confirmed in a letter to the Board that in relation to the transactions carried out pursuant to the Contractual Arrangements during the year ended 31 December 2023, nothing has come to their attention that causes them to believe that (i) the transactions have not been approved by the Board of Directors; (ii) the transactions have not been entered into, in all material respects, in accordance with the relevant Contractual Arrangements; and (iii) any dividends or other distributions have been made by the OPCO to the holders of its equity interest which are not otherwise subsequently assigned or transferred to the Group.

For further details on the Contractual Arrangements, please refer to the Company's announcement dated 12 January 2023.

Save as disclosed above, none of the related party transactions disclosed in the consolidated financial statements constitute connected transactions or continuing connected transactions of the Company which are required to be disclosed in this annual report. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks of the Group are detailed in the "Corporate Governance Report" section on page 107 of this annual report.

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

During the Reporting Period, the Company has purchased a total of 37,791,000 Shares (the "**Shares Repurchased**") on the Stock Exchange at an aggregate consideration (excluding transaction costs) of approximately HK$129.20 million. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per Share Highest HK$	Price paid per Share Lowest HK$	Aggregate consideration HK$'000
January 2023	926,000	4.51	3.94	3,968.01
March 2023	569,000	4.19	4.03	2,335.05
April 2023	980,000	4.38	4.07	4,072.25
May 2023	3,659,000	4.08	3.63	14,352.04
June 2023	7,096,000	3.85	3.42	25,582.05
July 2023	6,168,000	3.65	3.32	21,071.03
August 2023	3,743,000	3.79	3.49	13,544.00
September 2023	2,257,000	3.67	3.05	7,463.45
October 2023	2,177,000	3.30	3.10	6,960.37
November 2023	3,655,000	3.06	2.92	10,839.52
December 2023	6,561,000	3.00	2.80	19,009.13
Total	**37,791,000**			**129,196.90**

As of 29 February 2024, all the Shares Repurchased during the Reporting Period have been cancelled.

As of 14 February 2024, the Company has repurchased a total of 88,410,000 shares ("**Historical Repurchased Shares**") in the open market, since it began to repurchase Shares on 7 December 2021. The total consideration for these Shares amounts to approximately HK$365.7 million (including transaction costs). As of 29 February 2024, 73,261,000 Shares of the Historical Repurchased Shares repurchased prior to 31 December 2023 have been cancelled. The issued share capital of the Company was therefore reduced by 4.4% from 1,664,118,164 Shares to 1,590,857,164 Shares, which consequently resulted in a corresponding increase in shareholders' equity stakes in the Company and an enhancement of the net asset value per Share and/or the earnings per Share. The Board believes that the Share repurchases demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to Shareholders.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the Reporting Period.

USE OF NET PROCEEDS FROM THE PLACING AND SUBSCRIPTION

On 13 April 2021, the Company and Seamless entered into a placing and subscription agreement (the "**Placing and Subscription Agreement**") with CMB International Capital Limited (the "**Placing Agent**"). Pursuant to the Placing and Subscription Agreement, the Placing Agent agreed to procure one purchaser to purchase, on a best effort basis, an aggregate of 72,481,000 existing Shares (the "**Sale Shares**") at the placing price of HK$5.9 per Share (the "**Placing Price**") (the "**Placing**"); at the same time, Seamless agreed to subscribe for, and the Company agreed to issue to Seamless, an aggregate of 72,481,000 new Shares (the "**Subscription Shares**") at HK$5.9 per Share (the "**Subscription Price**") (the "**Subscription**") (being the same as the Placing Price).

On 15 April 2021, completion of the Placing took place, as a result of which a total of 72,481,000 Sale Shares were successfully placed by the Placing Agent to the placee, being GIC Private Limited, at the Placing Price of HK$5.9 per Sale Share. A total of 72,481,000 new Subscription Shares (being the same number as the Sale Shares) were allotted and issued to Seamless at the Subscription Price on 21 April 2021. The net proceeds, after deducting all related fees and expenses, from the Subscription amounted to approximately US$54.6 million.

The following table sets out the breakdown of the use of net proceeds from the Placing as at 31 December 2023:

Use of Net Proceeds	Amount Allocated (US$' million)	Total Amount Unutilized as at 1 January 2023 (US$' million)	Amount Utilized during the Reporting Period (US$' million)	Total Amount Utilized as at 31 December 2023 (US$' million)	Balance (US$' million)
The development and expansion of Cloud Business Unit	13.6	2.1	2.1	13.6	0
The development and expansion of SaaS tooling martrix	41.0	4.7	4.7	41.0	0
Total	**54.6**	**6.8**	**6.8**	**54.6**	**0**

During the Reporting Period, the Group had followed the proposed use of proceeds as set out in the announcement of the Company dated 13 April 2021.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material non-compliance with all relevant laws relating to workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmentally friendly at work by consuming electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. For further details of the Group's environmental policies and performance, please refer to the Company's 2023 Environmental, Social and Governance Report published on the same date as this annual report.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Tuesday, 18 June 2024. A notice convening the AGM and all other relevant documents will be published and dispatched to the Shareholders, if requested by Shareholders, in April 2024.

CLOSURE OF REGISTER OF MEMBERS

The registers of members of the Company will be closed from Thursday, 13 June 2024 to Tuesday, 18 June 2024, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all properly completed transfers documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 12 June 2024.

SUBSEQUENT EVENTS

There has been no material subsequent event after the Reporting Period.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares as at the Latest Practicable Date, which was in line with the requirement under the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2023 have been audited by KPMG, certified public accountants. KPMG will retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditor of the Company will be proposed at the AGM.

By order of the Board
DUAN Wei
Chairman

Guangzhou, PRC, 15 March 2024

The Company is committed to achieving and maintaining high standards of corporate governance by focusing on the principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound corporate governance policies and measures, and the Board is responsible for performing such corporate governance duties. The Board will continue to review and monitor the corporate governance of the Company, as well as various internal policies and procedures, including but not limited to those applicable to Directors and employees, with reference to the Corporate Governance Code set out in Appendix C1 to the Listing Rules and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

During the year ended 31 December 2023, the Company has complied with the applicable code provisions of the CG Code as set out in Appendix C1 to the Listing Rules. Furthermore, the Company voluntarily adopted some recommended best practices, such as disclosing quarterly financial results and conducting regular assessments of the Board's performance, with the aim of continuously improving the Company's governance.

Governance Culture

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximized in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group. The Board oversees the Group's strategic decisions and monitors business development and performance. The Board has delegated the authority and responsibility of the day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out their duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The position of the chairman of the Company is held by Mr. DUAN Wei and the position of the chief executive officer of the Company is held by Mr. CAO Xiaohuan. The roles of the chairman and the chief executive officer are clearly segregated and are not exercised by the same individual. The chairman of the Company provides leadership for the Board and ensures that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. It also ensures that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategies and policies and that Board decisions taken are in the Group's best interests and fairly reflect the Board's consensus. The chief executive officer of the Company leads the management in the day-to-day operation of the Group's business in accordance with the business plans and develops and proposes the Group's strategic plans and formulates the organizational structure, control systems and internal procedures and processes for the Board's approval.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

The Company has established a mechanism to ensure independent views and input are available to the Board, and conducted an annual review of the implementation and effectiveness of such mechanism for the year ended 31 December 2023. The Board has a majority of non-executive Directors (including independent non-executive Directors) and no less than one-third of independent non-executive Directors to ensure the independence. The Company has established various channels for the independent non-executive Directors to express their opinions, and secure sufficient time for Board meetings and Board Committee meetings to ensure that the Directors have sufficient time and channels to express their opinions. Directors may have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

Board Composition

Currently, the Board consists of eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. The Board is comprised of Mr. DUAN Wei (chairman of the Board), Mr. CAO Xiaohuan (chief executive officer), Mr. FANG Zikai and Mr. SONG Xiaofei as executive Directors; Mr. WONG Tak-Wai as non-executive Director; Mr. SUN Hongbin, Ms. CHEUNG Ho Ling Honnus and Mr. WONG Ka Fai Jimmy as independent non-executive Directors.

The biographies of the Directors are set out under the section headed “Profile of Directors and Senior Management” of this annual report. All Directors are able to devote sufficient time and contribute to the Company in accordance with their roles and responsibilities as members of the Board.

At all times, the Board has met the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board.

The Company has received annual confirmation made by each of the independent non-executive Directors under Rule 3.13 of the Listing Rules regarding their independence, and considers all the independent non-executive Directors to be independent.

Diversity of the Board

Our Directors have a balanced mix of experiences and industry backgrounds, including but not limited to experiences in advertising, financial, technology, mobile internet and securities industries. Our Directors obtained degrees in various majors including system science, communications engineering, mathematics, economics and accounting. We have three independent non-executive Directors with different industry backgrounds, representing more than one-third of the members of our Board. During the Reporting Period, the Company appointed one independent non-executive director with extensive experience in the investment industry to further enhance the diversity of the Board's professional background and decision-making governance capabilities.

The Company believes that the diversity of its Board members will be immensely beneficial for the enhancement of the Company’s performance. Pursuant to our Board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this report, the Board consists of one female Director, representing 12.5% of the members of the Board. The Board targets to maintain at least the current level of female representation. In considering the Board’s succession, the Nominating Committee would engage independent professional search firm(s) to help identify potential candidates for Directors, as and when appropriate, and the Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified so as to develop a pipeline of potential successors to the Board as well as enhance gender diversity across the Board and the workforce.

The Group has also taken, and continues to take steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally accessible by all eligible employees without discrimination. Female employees represent approximately 45.5% of the Group's total employees as of 31 December 2023. Although all members of our senior management are male, approximately 30.2% of our management positions are held by female employees. The Company aims to maintain at least 40.0% of female employees among total employees. The Board is mindful of the objectives set out above and will ensure that any successors to the Board shall be appointed in accordance with the gender diversity policy. The Board will also take into consideration of the gender diversity when assessing the candidates of the senior management of the Company.

The Nomination Committee will discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and make recommendations to the Board for adoption. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that is relevant to the Company's business growth. In identifying and selecting suitable candidates to serve as a director of the Company, the Nomination Committee would consider the above criteria necessary to complement the corporate strategy and achieve Board diversity before making recommendations to the Board.

Relationship between Board Members

Save as disclosed in the Directors' biographies set out in the section headed "Profile of Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material relationship) with any other Director and chief executive.

Induction and Continuous Professional Development of Directors

According to code provision C.1.1 of the CG Code, all newly appointed Directors shall be given a comprehensive, formal and tailored induction programme to ensure their proper understanding of the Company's operations and business, awareness of their responsibilities and obligations under the Listing Rules and relevant laws.

All Directors attended various trainings during the year ended 31 December 2023, including trainings regarding the updating of the Listing Rules, the responsibilities and continuous obligations of Directors and the Environmental, Social and Governance Reporting Guide. The Company had arranged suitable trainings for all Directors in order to develop and refresh their knowledge and skills as part of their continuous professional development.

According to code provision C.1.4 of the CG Code, the Company has received from all Directors their respective training records. A summary of the Directors' participation in continuous professional development during the year ended 31 December 2023 is as follows:

Name of Directors	Participation in continuous professional development[1]
Executive Directors	
Mr. DUAN Wei	√
Mr. CAO Xiaohuan	√
Mr. FANG Zikai	√
Mr. SONG Xiaofei	√
Non-executive Director	
Mr. WONG Tak-Wai	√
Independent Non-executive Directors	
Mr. SUN Hongbin	√
Ms. CHEUNG Ho Ling Honnus	√
Mr. WONG Ka Fai Jimmy	√

Note:

(1) Attending trainings/seminars/meetings/forums/briefings or reading materials relevant to corporate governance, director's duties and responsibilities, the Listing Rules and other relevant ordinances.

The Company is committed to continuously reviewing and improving its internal systems, including those in relation to internal supervision and control, and risk management.

Appointment and Re-election of Directors

In accordance with the Articles of Association, at every annual general meeting of the Company, one-third of the Directors, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation. It is further provided that the initial term of office for each Director is three years and every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall remain in office until the close of the meeting at which he retires and shall be eligible for re-election thereafter. The Company at any annual general meeting at which any Directors retire may fill the vacancy by electing the same number of persons to be Directors.

The term of appointment of the Directors, including the non-executive Director, is set out in the section headed "Directors' Report — Directors' Service Contracts" on pages 63 to 64 of this annual report.

The Articles of Association sets out the procedures and process for the appointment, re-election and removal of Directors. The Nomination Committee operates in accordance with the nomination policy and the Board's diversity policy and is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times per year, and at approximately quarterly intervals. The Board also meets at other times as and when required. In addition, the Board holds general meetings to maintain an on-going dialogue with the Shareholders. An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing.

For other Board meetings and Board Committee meetings, reasonable notice is generally required. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least 3 days before the meetings to ensure that they have sufficient time to review the relevant papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and be given an opportunity to make their views known to the chairman of the Board/Board Committee prior to the meeting. Minutes of Board meetings and Board Committee meetings are kept by the company secretary with copies circulated to all Directors or Board Committee members for information and record-keeping.

Minutes of the Board meetings and Board Committee meetings are recorded and the matters considered by the Board and the Board Committees and the decisions reached are recorded in sufficient detail, including concerns raised by the Directors/Board Committee members. Draft and final versions of the minutes of each Board meeting and Board Committee meeting are sent to the Directors/Board Committee members for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by all Directors.

The Board held 10 Board meetings during the year ended 31 December 2023. The attendance of each Director at Board meetings, Board Committee meetings and general meetings, whether in person or by means of electronic communication, is detailed in the table below:

	Attendance/No. of Board Meetings, Board Committee Meetings or General Meetings eligible to attend				
Name of Director	**Board**	**Audit Committee**	**Nomination Committee**	**Remuneration Committee**	**Annual General Meeting**
Executive Directors					
Mr. DUAN Wei *(Chairman)*	10/10	—	2/2	—	1/1
Mr. CAO Xiaohuan	10/10	—	—	2/2	1/1
Mr. FANG Zikai	10/10	—	—	—	1/1
Mr. SONG Xiaofei	10/10	—	—	—	1/1
Non-executive Director					
Mr. WONG Tak-Wai	10/10	—	—	—	1/1
Independent Non-executive Directors					
Mr. SUN Hongbin	10/10	4/4	—	—	1/1
Ms. CHEUNG Ho Ling Honnus	10/10	4/4	2/2	2/2	1/1
Mr. WONG Ka Fai Jimmy(1)	7/7	3/3	—	—	1/1
Mr. HU Jie(2)	2/2	1/1	1/1	1/1	—

Notes:

(1) Mr. WONG Ka Fai Jimmy was appointed as an independent non-executive Director on 17 April 2023.

(2) Mr. HU Jie resigned as an independent non-executive Director on 17 April 2023.

Delegation by the Board

The Board reserves its right to decide on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, the appointment of Directors and other significant financial and operational matters.

The daily management, administration and operation of the Group are delegated to the senior management of the Company. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board before the senior management enters into any significant transactions.

Corporate Governance Function

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

1. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

2. to review and monitor the training and continuous professional development of Directors and senior management;

3. to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;

4. to develop, review and monitor the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on matters; and

5. to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

BOARD COMMITTEES

Audit Committee

The Audit Committee currently comprises three members, Mr. SUN Hongbin (Chairman), Ms. CHEUNG Ho Ling Honnus and Mr. WONG Ka Fai Jimmy, all of whom are independent non-executive Directors.

The principal duties of the Audit Committee include the following:

(a) to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

(d) to monitor the integrity of the Company's financial statements, annual reports, accounts, half-yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee shall focus particularly on:

  (i) any changes in accounting policies and practices;

  (ii) major areas of judgment;

  (iii) significant adjustments resulting from the audit;

  (iv) the going concern assumptions and any qualifications;

  (v) compliance with accounting standards; and

  (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting:

(e) regarding paragraph (d) above: (i) members of the Audit Committee shall liaise with the Board and senior management of the Company and the Audit Committee must meet, at least twice a year, with the Company's auditors; and (ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, and it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(f) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the Board itself, to review the Company's risk management and internal control systems;

(g) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to put effective systems in place. This discussion shall include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

(h) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(j) to review the financial and accounting policies and practices of the Company and its subsidiaries;

(k) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

(l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(m) to report to the Board on the matters set out in the CG Code;

(n) to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(o) to act as the key representative body for overseeing the Company's relation with the external auditor;

(p) to review ongoing connected transactions of the Company and ensure compliance with terms of approval by Shareholders; and

(q) to consider such other matters as the Board may from time to time determine.

The Audit Committee's major work during the year ended 31 December 2023 includes:

(a) reviewing the 2022 annual report and annual results announcement;

(b) reviewing the 2023 Q1 results announcement;

(c) reviewing the 2023 interim report and interim results announcement;

(d) reviewing the 2023 Q3 results announcement;

(e) reviewing the Company's compliance with the CG Code;

(f) reviewing the relationship with the external auditor with reference to the work performed by the external auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the external auditor;

(g) reviewing the continuing connected transactions of the Group, including the VIE contractual agreements of the Group, during the year ended 31 December 2023; and

(h) reviewing the adequacy and effectiveness of the Company's financial reporting system, internal audit function, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

KPMG is the Group's external auditor. The Audit Committee reviews the relationship of the Company with KPMG on an annual basis. Having also reviewed the effectiveness of the external audit process as well as the independence and objectivity of KPMG, the Audit Committee is satisfied with this relationship. As such, the Audit Committee has recommended their re-appointment at the forthcoming AGM.

Code provision D.3.3(e)(i) of the CG Code provides that the terms of reference of the Audit Committee should require members of the Audit Committee to liaise with the Board and senior management and that the Audit Committee must meet at least twice a year with the external auditor. The Company has included such terms in relevant terms of reference, and thus complied with the Code provision D.3.3(e)(i) of the CG Code during the year ended 31 December 2023.

The Audit Committee held 4 meetings during the year ended 31 December 2023. Please refer to the paragraph headed "Board Meetings" above for details of each member's attendance of the meetings.

Nomination Committee

The Nomination Committee currently comprises three members, including one executive Director namely Mr. DUAN Wei (chairman) and two independent non-executive Directors namely Ms. CHEUNG Ho Ling Honnus and Mr. WONG Ka Fai Jimmy.

The principal duties of the Nomination Committee include the following:

(a) to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, race, skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals who are qualified/suitable to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of independent non-executive directors of the Company; and

(d) to make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors of the Company, in particular, the chairman and the chief executive of the Company.

The Nomination Committee's major work during the year ended 31 December 2023 includes:

(a) reviewing the structure, size, composition and diversity (including the gender, age, cultural and educational background, race, skills, knowledge and experience) of the Board;

(b) assessing the independence of independent non-executive Directors;

(c) making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive; and

(d) reviewing the Board diversity policy.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The Company recognizes the benefits of having a diverse Board, and views diversity at the Board level as a business imperative that will help the Company achieve its strategic objectives and maintain a competitive advantage. As such, the Board has set measurable objectives for the implementation of the Board diversity policy to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives that is required to support the execution of its business strategy and maintain the effectiveness of the Board. The Nomination Committee is satisfied that the Board diversity policy is successfully implemented.

The Nomination Committee held 2 meetings during the year ended 31 December 2023. Please refer to the paragraph headed "Board Meetings" above for details of each member's attendance of the meetings.

Remuneration Committee

The Remuneration Committee currently comprises three members, including one executive Director namely Mr. CAO Xiaohuan, and two independent non-executive Directors namely Mr. WONG Ka Fai Jimmy (chairman) and Ms. CHEUNG Ho Ling Honnus.

The principal duties of the Remuneration Committee include the following:

(a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policies;

(b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) either:

(i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management of the Company, or

(ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(d) to make recommendations to the Board on the remuneration of non-executive Directors;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions of the Company and its subsidiaries;

(f) to consider the levels of remuneration required to attract and retain the Directors to run the Company successfully;

(g) to review and approve compensation payable to executive Directors and senior management of the Company for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

(h) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(i) to ensure that no Director or any of his or her associates is involved in deciding his or her own remuneration; and

(j) to review and/or approve matters relating to share schemes as set out in Chapter 17 of the Listing Rules.

The Remuneration Committee's major work during the year ended 31 December 2023 includes:

(a) making recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

(b) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board from time to time;

(c) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;

(d) making recommendations to the Board on the remuneration of independent non-executive Directors;

(e) ensuring no Director or any of his or her associates is involved in deciding his or her own remuneration; and

(f) approving the granting of shares to Directors and senior management.

In conducting its work in relation to the remuneration of Directors and the senior management team of the Company, the Remuneration Committee ensured that no individual or any of his associates was involved in determining that individual's own remuneration. It also ensured that remuneration awards were determined by reference to the performance of the individual and were aligned to the market practice and conditions, and the Company's goals and strategies. They are designed to attract, retain and motivate high performing individuals, and reflect the specifics of individual roles.

The Remuneration Committee held 2 meetings during the year ended 31 December 2023. Please refer to the paragraph headed "Board Meetings" above for details of each member's attendance of the meetings.

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2023 is set out below:

	Number of persons
HK$7,500,000 to HK$8,000,000	1

Note:

(1) The remuneration of Mr. Cao Xiaohuan, as the chief executive officer of the Group, and Mr. Song Xiaofei, as the chief financial officer, is set out in note 7 to the financial statements on pages 157 to 158 of this annual report.

Remuneration of Directors

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in notes 7 and 8 to the financial statements on pages 157 to 159 of this annual report.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility in preparing the financial statements for the year ended 31 December 2023, which gave a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report of this annual report.

External Auditor

KPMG is appointed as the external auditor of the Company upon the recommendation of the Audit Committee. During the past 3 years including the Reporting Period, there has been no change of auditor of the Company.

An analysis of the remuneration paid or payable to the external auditor of the Company, KPMG, in respect of audit services and non-audit services for the year ended 31 December 2023 is set out below:

Service Category	**Fees paid/ payable (US$'000)**
Audit services	525
Interim review(1)	170
Tax services(2)	37
Other non-audit services(3)	57
Total	789

Notes:

(1) Interim review is a review report conducted by the independent auditor in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants.

(2) Tax services include the preparation and submission of tax returns service for certain subsidiaries of the Group and tax consulting services for the disposal of top media agency business.

(3) Other non-audit services include SOC2 report, an attestation report on an examination of controls at a service organization relevant to security, availability, processing integrity, confidentiality and privacy, and other miscellaneous services.

MODEL CODE

The Group has adopted the Model Code as set out in Appendix C3 to the Listing Rules for securities transactions by Directors as its own code of conduct. Having made specific enquiry of all Directors, each of the Directors has complied with the required standards as set out in the Model Code during the Reporting Period.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company during the year ended 31 December 2023.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for ensuring that the Company has established and maintained adequate and effective risk management and internal control systems through conducting reviews on an annual basis. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company also has an internal audit function which primarily carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems. The Board was satisfied with the internal audit function for the year ended 31 December 2023.

Risk Management

The Company is committed to continuously improving the risk management system, including its structure, process and culture, through the enhancement of risk management ability, to ensure long-term growth and sustainable development of the Company's business.

The Company has established a risk management system which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes. Each business group of the Company, on a regular basis, identifies and assesses risk factors that may negatively impact the achievement of its objectives, and formulates appropriate response measures.

During the year ended 31 December 2023, the Company adopted dynamic risk management processes including risk identification, risk analysis, risk assessment, risk response, risk monitoring, and risk reporting in response to the identification of significant risks of the Company. Regular meetings were held between the executive Directors and senior management to review and monitor the business and financial performance against the targets, the progress of certification and contract receipts from customers, the efficiency in the use of the Group's resources in comparison to the budgets, and operational matters to ensure that the Group has complied with the regulations that have material impact on the Group's business. The aim is to enhance the communication and accountability of the Directors and management so that significant strategic, financial, operational and compliance risks or potential deviations are identified and dealt with in a proper and timely manner and that significant issues are reported back to the Board for their attention.

During the year ended 31 December 2023, the Board has reviewed the effectiveness of the internal control and risk management systems of the Group to ensure that a sound system is maintained and operated by the management in compliance with the agreed procedures and standards. The review covered all material controls, including financial, operational and compliance controls and risk (including environmental, social and governance risks) management functions. The review was conducted through discussions with the management of the Company, its external and internal auditors and the assessment performed by the Audit Committee. The Board believes that the existing risk management and internal control systems are adequate and effective, in particular, for financial reporting and Listing Rules compliance as well as for resolving internal control defects (if any).

Our operations and future financial results could be materially and adversely affected by various risks. The following highlights the principal risks that the Group is susceptible to and is not meant to be exhaustive:

- We operate our business internationally and our receipts and making of payments are mainly denominated in U.S. dollars. We are exposed to non-U.S. dollar currency risks primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a foreign currency.

- We generate our revenues almost entirely from the advertising services we provide. If we fail to retain existing advertisers and publishers, deepen or expand our relationships with advertisers and publishers, or attract new advertisers and publishers, our financial position, results of operations and prospects may be materially and adversely affected.

- If the mobile advertising industry fails to continue to develop and growth, or if the mobile advertising market develops or grows more slowly than expected, our profitability and prospects may be materially and adversely affected.

- If we fail to introduce new or enhanced services to keep up with the technological developments or new business models of the mobile advertising and mobile analytics industries, or the changing requirements of advertisers, publishers and mobile analytics users, our business, financial position and results of operations may be materially and adversely affected.

- We expect to continue to experience intense competition. If we fail to compete effectively against other mobile advertising companies and other mobile analytics service providers, we could lose advertisers, publishers or mobile analytics users, and our revenues may decline.

- If we provide inaccurate or fraudulent data, it may have an adverse impact on our business, results of operations and reputation.

- Our business is subject to complex and evolving laws and regulations. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

- Misappropriation or misuse of privacy information and failure to comply with laws and regulations on data protection, including the GDPR, could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in advertisers, publishers or mobile analytics user base, or otherwise harm our business.

- Any breaches of our security measures, including unauthorized access, computer viruses and hacking, may adversely affect our database, reduce use of our services and damage our reputation and brand names.

- As we insist on the strategy of globalization, most of our income is generated from China, EMEA and the Americas. If other countries or regions adjust their policies against China, it may adversely affect our overseas business.

- The global economic environment remained sluggish with high inflation in the current year. If the global macroeconomic environment continues to deteriorate, it may cause a decline in customer budgets, which could have an adverse impact on our business operations.

DISCLOSURE OF INSIDE INFORMATION

The Company has developed its disclosure policy to provide a general guide to the Directors, senior management and relevant employees of the Company in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

COMPANY SECRETARY

Ms. LEE Angel Pui Shan is the company secretary of the Company. She is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

Ms. LEE is not an employee of our Company, but an external service provider engaged by us as our Company secretary and Mr. SONG Xiaofei, an executive Director and the chief financial officer of the Company, is the key contact person with whom Ms. LEE can contact.

Ms. LEE has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during the year ended 31 December 2023.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which enable Shareholders and investors to make informed investment decisions. The annual general meeting of the Company provides an opportunity for the Shareholders to communicate directly with the Directors.

To enable Shareholders and other stakeholders to exercise their rights in an informed manner based on a full understanding of the Group's operations, business, and financial information, the Company has adopted a Shareholder communication policy aimed at ensuring that Shareholders and other stakeholders as a whole can receive important information about the Group in a timely, equal, regular, and prompt manner (the "**Shareholders' Communication Policy**"). The policy includes various channels to ensure effective and efficient communication with Shareholders and other stakeholders, including but not limited to financial results announcements, responding to Shareholder inquiries, corporate communications, posting relevant materials on the Company website, Shareholder meetings, and communication with the investment market. To communicate with Shareholders on matters affecting the Company and to hear and understand their views, the Company has adopted multiple mechanisms, including encouraging Shareholders to attend Shareholder meetings or appointing representatives to attend and vote at meetings if they cannot attend, and making appropriate arrangements for annual general meetings to encourage and facilitate Shareholder participation. The Company will also arrange investor and analyst briefings, domestic and international roadshows, media interviews, or industry forums from time to time, attended by the Company's directors or designated spokespersons, to strengthen communication and exchange between the Company and Shareholder and potential investors. In addition, the Company's website (www.mobvista.com) serves as a designated platform for publishing the Company's announcements, news releases, and other corporate communications for Shareholder reference.

During the year ended 31 December 2023, the Board reviewed the Shareholders' Communication Policy. Having considered the multiple channels of communication and engagements in place, the Board is satisfied that the Shareholders' Communication Policy has been properly put in place and effectively implemented.

SHAREHOLDERS' RIGHTS

To safeguard Shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at Shareholder meetings. All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each Shareholder meeting.

PUTTING FORWARD ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the Guangzhou office of the Company at 43/F, Tianying Plaza (East Tower), No. 222–3 Xingmin Road Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Shareholders may put forward proposals for consideration at a general meeting of the Company in accordance with the Articles of Association. Any one or more members holding as at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such meeting shall be reimbursed to the requisitionist(s) by the Company. Shareholders may submit the above applications or requests to the Guangzhou office at the following address: 44/F, Tianying Plaza (East Tower), No. 222–3 Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, China.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2023, the Company has not made any changes to its Articles of Association.

KPMG

to the shareholders of Mobvista Inc.
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Mobvista Inc. ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 117 to 204, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("**the Code**") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters (continued)

Revenue recognition

Refer to note 3(a) to the consolidated financial statements and the accounting policies in note 1(u).

The Key Audit Matter	How the matter was addressed in our audit
The Group's revenue, which comprises primarily income from provision of advertising technology services during the year ended 31 December 2023. Revenue is recognised when the related services are delivered based on the specific terms of the contract. The Group uses several different information technology ("**IT**") systems to track specified actions as specified in related customer contracts. The calculation of the advertising technology services charges is automatically performed by the technology platform based on pre-defined key parameters, including unit price and volume. These IT systems are complex and process large volumes of data during the year.	Our audit procedures to assess the recognition of revenue included the following: • inspecting Group's contracts with customers (on a sample basis) to understand the terms of service delivery and acceptance and assess the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; • with the assistance of our internal IT specialists, identifying and evaluating the key relevant IT systems and the design, implementation and operating effectiveness of key internal controls, with emphasis on the capturing and recording of specified action; • with the assistance of our internal IT specialists, assessing the calculation accuracy of revenue based on the pre-defined formulae built into the technology platform and the related parameters (including unit price and transaction volume) used in the calculation of advertising technology service charges; • with the assistance of our internal IT specialists, performing data analysis to identify revenue detailed items suspiciously fulfill certain designated criteria and further inquiries and inspections relating to the selected items are to perform to evaluate whether they have reasonable commercial substance;

Key audit matters (continued)

Revenue recognition (continued)

Refer to note 3(a) to the consolidated financial statements and the accounting policies in note 1(u).

The Key Audit Matter	How the matter was addressed in our audit
Records of advertising technology services charges are generated, in an aggregated amount of each category, and input into the accounting system automatically. Manual adjustment will be made if any variance exists after reconciling with customers on a monthly basis. We identified revenue recognition as a key audit matter because the reliance on complex IT systems, with the subsequent manual input into the accounting system, increases the risk of fraud and error in recording revenue.	• comparing the details of the monthly journal entries relating to the input into the accounting system of aggregate advertising technology services revenue with the reports generated by the IT systems; • comparing cash receipts from customers during the year and after the financial year end with invoices issued to customers during the year, on a sample basis; and • inspecting underlying documentation for manual journal entries relating to revenue which were considered to be material or met other specific risk-based criteria.

Key audit matters (continued)

Assessment of potential impairment of goodwill

Refer to note 12 to the consolidated financial statements and the accounting policies on page in note 1(g) and 1(i)(ii).

The Key Audit Matter	How the matter was addressed in our audit
The carrying values of the Group's goodwill as at 31 December 2023 amounted to US$115,342,000 of which US$19,981,000, US$9,017,000 and US$86,344,000 relate to the acquisitions of businesses from nativeX, LLC ("**nativeX**"), Game analytics ApS ("**GA**") and Beijing Reyun Technology Co., Ltd. together with HIO Software-as-a-Service ("**SaaS**") business ("**Reyun SaaS business**") respectively. The goodwill recognised from the acquisitions of businesses have been allocated to the nativeX cash-generating unit ("**CGU**"), the GA CGU and the Reyun SaaS business CGU respectively. Management performs impairment assessments of goodwill annually. Management assesses the recoverable amount of the relevant CGUs, engaging an external valuer for certain business CGUs, using the value in use method by preparing discounted cash flow forecasts derived from the most recent financial forecast approved by the management. The preparation of discounted cash flow forecasts involves the exercise of significant judgement, particularly in estimating the revenue growth rates and the discount rates applied. We identified assessing potential impairment of goodwill as a key audit matter because the impairment assessments prepared by management are complex and contain certain judgmental assumptions applied which could be subject to management bias in their selection.	Our audit procedures to assess the potential impairment of goodwill included the following: • evaluating management's impairment model, including the identification of and the allocation of goodwill to each CGU with reference to the requirements of the prevailing accounting standards; • evaluating the competence, experience, capability and objectivity of the external valuer engaged by management to perform the valuation of the relevant CGUs; • challenging the key estimates and assumptions adopted in the discounted cash flow forecasts, including revenue growth rate, by referring to industry and other available third-party information, the recent financial performance of each CGU subject to impairment assessment and the financial budget which was approved by the management; • comparing the actual results for the current year with management's estimates in their cash flow forecasts for the previous year in order to assess the historical accuracy of the management's forecasting process; • involving our internal valuation specialists to assist us in evaluating the valuation methodologies adopted by the external valuer in the preparation of the discounted cash flow forecasts with reference to the requirements of the prevailing accounting standards, and assessing whether the discount rates applied in the discounted cash flow forecasts were within the range adopted by other companies in the same industry;

Key audit matters (continued)

Assessment of potential impairment of goodwill (continued)

Refer to note 12 to the consolidated financial statements and the accounting policies on page in note 1(g) and 1(i)(ii).

The Key Audit Matter	How the matter was addressed in our audit
	• obtaining from management sensitivity analysis of the revenue growth rate, gross margin ratio and the discount rate adopted in the discounted cash flow forecast and assessing the impact of changes in the key assumptions on the conclusions reached in the impairment assessments and whether there were any indicators of management bias; and • considering the disclosures in the financial statements in respect of management's impairment assessments of goodwill allocated to each CGU with reference to the requirements of the prevailing accounting standards.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguard applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Fong Kwin.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2023
(Expressed in United States dollar)

	Note	2023 US$'000	2022 US$'000
Revenue	3	**1,054,092**	894,405
Cost of sales		**(836,801)**	(717,376)
Gross profit		**217,291**	177,029
Selling and marketing expenses		**(50,880)**	(66,131)
Research and development expenses		**(94,283)**	(106,890)
General and administrative expenses		**(53,615)**	(48,827)
Other net income	4	**11,065**	47,064
Profit from operations		**29,578**	2,245
Change in fair value of derivative financial liabilities	20	**2,093**	14,183
Finance costs	5(a)	**(7,154)**	(5,288)
Profit before taxation	5	**24,517**	11,140
Income tax	6	**(5,929)**	(950)
Profit for the year		**18,588**	10,190
Attributable to:			
Equity shareholders of the Company		**21,804**	14,994
Non-controlling interests		**(3,216)**	(4,804)
Profit for the year		**18,588**	10,190
Earnings per share	9		
Basic (United States dollar cents)		**1.42**	0.97
Diluted (United States dollar cents)		**1.41**	0.20

The notes on pages 125 to 204 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 25(g).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023
(Expressed in United States dollar)

	2023 US$'000	2022 US$'000
Profit for the year	**18,588**	10,190
Other comprehensive income for the year		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries	**(315)**	(498)
Total comprehensive income for the year	**18,273**	9,692
Attributable to:		
Equity shareholders of the Company	**21,891**	14,496
Non-controlling interests	**(3,618)**	(4,804)
Total comprehensive income for the year	**18,273**	9,692

The notes on pages 125 to 204 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2023
(Expressed in United States dollar)

	Note	31 December 2023 US$'000	31 December 2022 US$'000
Non-current assets			
Property, plant and equipment	10	**15,459**	11,679
Intangible assets	11	**146,408**	137,587
Goodwill	12	**115,342**	115,342
Deferred tax assets	21(b)	**12,924**	20,357
Financial assets measured at fair value through profit or loss (FVPL)	14	**1,214**	1,235
		291,347	286,200
Current assets			
Financial assets measured at FVPL	14	**39,026**	31,564
Trade and other receivables	15(a)	**164,294**	141,104
Prepayments	15(b)	**44,969**	32,179
Restricted cash	16(a)	**5,281**	4,783
Cash and cash equivalents	16(b)	**146,348**	105,716
Current tax recoverable	21(a)	**286**	528
		400,204	315,874
Current liabilities			
Trade and other payables	17	**292,452**	251,164
Current tax payable	21(a)	**10,441**	7,331
Bank loans and overdrafts	18	**49,542**	45,555
Lease liabilities	19	**4,027**	4,991
Derivative financial liabilities	20	**101**	2,194
		356,563	311,235
Net current assets		**43,641**	4,639
Total assets less current liabilities		**334,988**	290,839

at 31 December 2023
(Expressed in United States dollar)

	Note	31 December 2023 US$'000	31 December 2022 US$'000
Non-current liabilities			
Bank loans and overdrafts	18	**32,000**	—
Convertible bonds	20	**32,762**	29,980
Deferred tax liabilities	21(b)	**1,786**	5,867
Lease liabilities	19	**9,330**	6,932
Other non-current liabilities		**—**	21
		75,878	42,800
NET ASSETS		**259,110**	248,039
CAPITAL AND RESERVES			
Share capital	24	**16,010**	16,366
Reserves		**234,082**	219,037
Total equity attributable to equity shareholders of the Company		**250,092**	235,403
Non-controlling interests		**9,018**	12,636
TOTAL EQUITY		**259,110**	248,039

The consolidated financial statements on page 117 to 204 were approved and authorized for issue by the Board of Directors on 15 March 2024 and were signed on its behalf by:

Duan Wei
Director

Cao Xiaohuan
Director

The notes on pages 125 to 204 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023
(Expressed in United States dollar)

		Attributable to equity shareholders of the Company										
	Note	Share capital US$'000 (note 24)	Share premium US$'000 (note 25(b))	Capital reserve US$'000 (note 25(a))	Statutory reserve US$'000 (note 25(c))	Exchange reserve US$'000 (note 25(d))	Reserve for treasury shares US$'000 (note 25(f))	Share-based payments reserve US$'000 (note 25(e))	Retained profits US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
As at 1 January 2022		16,640	268,389	36	1,653	41	(19,108)	18,623	50,530	336,804	22,554	359,358
Changes in equity for the year ended 31 December 2022:												
Profit/(loss) for the year		–	–	–	–	–	–	–	14,994	14,994	(4,804)	10,190
Other comprehensive income		–	–	–	–	(498)	–	–	–	(498)	–	(498)
Total comprehensive income		–	–	–	–	(498)	–	–	14,994	14,496	(4,804)	9,692
Vested restricted share units ("**RSU**"s)		–	(665)	–	–	–	13,997	(13,332)	–	–	–	–
Share-based compensation	25(e)	–	–	–	–	–	–	12,481	–	12,481	–	12,481
Shares repurchased for cancellation	24(b)	–	–	–	–	–	(17,959)	–	–	(17,959)	–	(17,959)
Shares transferred from Seamless Technology Limited ("**Seamless**") as a consideration of business restructuring		–	–	–	–	–	(100,352)	–	–	(100,352)	–	(100,352)
Disposal of subsidiaries		–	–	–	–	160	–	–	–	160	–	160
Acquisition of non-controlling interests without a change in control	13	–	(10,191)	(36)	–	–	–	–	–	(10,227)	(5,114)	(15,341)
Cancellation of ordinary shares	24(b)	(274)	(20,146)	–	–	–	20,420	–	–	–	–	–
Balance at 31 December 2022		16,366	237,387	–	1,653	(297)	(103,002)	17,772	65,524	235,403	12,636	248,039

The notes on pages 125 to 204 form part of these financial statement.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023
(Expressed in United States dollar)

		Attributable to equity shareholders of the Company									
	Note	Share capital US$'000 (note 24)	Share premium US$'000 (note 25(b))	Statutory reserve US$'000 (note 25(c))	Exchange reserve US$'000 (note 25(d))	Reserve for treasury shares US$'000 (note 25(f))	Share-based payments reserve US$'000 (note 25(e))	Retained profits US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
As at 1 January 2023		16,366	237,387	1,653	(297)	(103,002)	17,772	65,524	235,403	12,636	248,039
Changes in equity for the year ended 31 December 2023:											
Profit/(loss) for the year		–	–	–	–	–	–	21,804	21,804	(3,216)	18,588
Other comprehensive income		–	–	–	87	–	–	–	87	(402)	(315)
Total comprehensive income		–	–	–	87	–	–	21,804	21,891	(3,618)	18,273
Vested RSUs		–	(9,435)	–	–	22,129	(12,694)	–	–	–	–
Share-based compensation	25(e)	–	–	–	–	–	9,340	–	9,340	–	9,340
Shares repurchased for cancellation	24(b)	–	–	–	–	(16,542)	–	–	(16,542)	–	(16,542)
Cancellation of ordinary shares	24(b)	(356)	(16,528)	–	–	16,884	–	–	–	–	–
Balance at 31 December 2023		16,010	211,424	1,653	(210)	(80,531)	14,418	87,328	250,092	9,018	259,110

The notes on pages 125 to 204 form part of these financial statement.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2023
(Expressed in United States dollars)

	Note	31 December 2023 US$'000	31 December 2022 US$'000
Operating activities			
Cash generated from operations	16(c)	**107,198**	99,194
Tax paid:			
— PRC income tax paid		**(69)**	(118)
— Overseas tax refund/(paid)		**876**	(1,187)
Net cash generated from operating activities		**108,005**	97,889
Investing activities			
Investment in other financial assets		**(86)**	(30,733)
Proceeds from disposal of other financial assets		**540**	10,883
Payment for the purchase of property, plant and equipment		**(1,366)**	(738)
Proceeds from disposal of property, plant and equipment		**12**	117
Disposal of subsidiaries		**—**	(1,577)
Payment for intangible assets and development costs		**(76,556)**	(79,571)
Interest received		**1,982**	1,906
Net cash used in from investing activities		**(75,474)**	(99,713)

for the year ended 31 December 2023
(Expressed in United States dollars)

	Note	31 December 2023 US$'000	31 December 2022 US$'000
Financing activities			
Proceeds from bank loans	16(d)	**60,579**	219,653
Repayment of bank loans	16(d)	**(26,954)**	(235,027)
Payment for acquisition of non-controlling interests		**—**	(15,341)
Capital element of lease rentals paid	16(d)	**(6,059)**	(4,508)
Interest element of lease rentals paid	16(d)	**(393)**	(518)
Interests and other borrowing cost paid	16(d)	**(4,217)**	(2,066)
Payment of share repurchased for cancellation	24(b)	**(16,542)**	(17,959)
Change in restricted and pledged deposits		**(1,126)**	1,537
Net cash generated from/(used in) financing activities		**5,288**	(54,229)
Net increase/(decrease) in cash and cash equivalents		**37,819**	(56,053)
Cash and cash equivalents at the beginning of the year		**103,599**	160,322
Effect of foreign exchange rate changes		**457**	(670)
Cash and cash equivalents at the end of the year	16(b)	**141,875**	103,599

The notes on pages 125 to 204 form part of these financial statements.

1 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**the Stock Exchange**"). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as "**the Group**")

The financial statements are presented in United States dollar ("**US$**"), rounded to the nearest thousand, which is the functional currency of the subsidiaries carrying out the principal activities of the Group. The functional currency of the Company is US$.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— the investments in debt and equity securities stated at fair value as explained in note 1(e);

— share-based payments (see note 1(r)(ii)); and

— derivative financial liabilities (see note 1(q)).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1 Material accounting policies (Continued)

(b) Basis of preparation of the financial statements (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effects on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(c) Changes in accounting policies

The Group has applied the following new and amended IFRSs issued by the IASB to these financial statements for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 1, *Presentation of financial statements and IFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform — Pillar Two model rules*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

1 Material accounting policies (Continued)

(d) Subsidiaries and non-controlling interest

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Generally, there is a presumption that a majority of voting rights results in control. When the Group has, directly or indirectly, less than a majority of the voting or similar rights of an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over an entity, including:

— the contractual arrangement with the other vote holders of the entity;

— rights arising from other contractual arrangements; and

— the Group's voting rights and potential voting rights.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("**NCI**") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(i)), unless it is classified as held for sale.

1 Material accounting policies (Continued)

(e) Investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, are set out below:

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investments. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 26(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

— amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 1(u)(ii)(a)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

— Fair value through other comprehensive income (FVOCI)-recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

— FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

1 Material accounting policies (Continued)

(e) Investments in debt and equity securities (Continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 1(u)(ii)(c)).

(f) Property, plant and equipment

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 1(i)):

— right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and

— items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 1(h)).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Office equipment, furniture and fittings	3–5 years
Leasehold improvements	Shorter of the remain term of the lease or 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1 Material accounting policies (Continued)

(g) Goodwill and intangible assets

(i) Goodwill

Goodwill represents the excess of

a) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

b) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When b) is greater than a), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(i)).

(ii) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 1(i)).

Expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

1 Material accounting policies (Continued)

(g) Goodwill and intangible assets (Continued)

(ii) ***Intangible assets*** (Continued)

The estimated useful lives for the current and comparative periods are as follows:

Software	1–3 years
Royalties	2 -10 years
Trademark	7–11 years
Developed Technology	3–6 years
Customer relationships	4 years
Incomplete contracts	4 years

Management determined the useful lives of trademark, developed technology, customer relationships and incomplete contracts based on (i) estimated period during which such assets can bring economic benefits to the Group; and (ii) the useful life estimated by a third party valuer with reference to the useful lives adopted by comparable companies in the market. Both the period and method of amortisation are reviewed annually.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1 Material accounting policies (Continued)

(h) Lease assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 1(i)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 1(e)(i),1(u)(ii)(a) and 1(i)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

1 Material accounting policies (Continued)

(h) Lease assets (Continued)

(i) As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of the contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 1(h)(i), then the Group classifies the sub-lease as an operating lease.

1 Material accounting policies (Continued)

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses ("**ECL**"s) on the financial assets measured at amortized cost (including cash and cash equivalents, trade and other receivables) and lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

— fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate;

— lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

— financial instruments that are determined to have low credit risk at the reporting date; and

— other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

1 Material accounting policies (Continued)

(i) Credit losses and impairment of assets (Continued)

(i) ***Credit losses from financial instruments and lease receivables*** (Continued)

Measurement of ECLs (Continued)

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

— failure to make payments of principal or interest on their contractually due dates;

— an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

— an actual or expected significant deterioration in the operating results of the debtor; and

— existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

1 Material accounting policies (Continued)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and lease receivables (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or past due event;

— it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the asset becomes three years past due or when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 Material accounting policies (Continued)

(i) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(i)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

1 Material accounting policies (Continued)

(j) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(u)(i)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(k)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(u)(i)).

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 1(i)(i)).

(l) Software-as-a-service (SaaS) arrangement costs

A SaaS arrangement is a service arrangement where the Group has a right to access to the supplier's application software running on the supplier's cloud infrastructure during the term of the arrangement, but not control over the underlying software asset.

Costs to implement a SaaS arrangement, including those incurred in configuring or customising the access to the supplier's application software, are evaluated to determine if they give rise to a separate asset that the Group controls. Any resulting asset is recognised and accounted for in accordance with the policy for intangible assets as set out in note 1(g)(ii). Implementation costs that do not give rise to an asset are recognised in profit or loss as incurred, which may be over the period the configuration or customisation services are received to the extent that such services are distinct from the SaaS, or over the term of the SaaS arrangement to the extent the configuration or customisation services are not distinct from the SaaS.

Payment made in advance of receiving the related services is recognised as prepayment.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see note 1(i)(i)).

1 Material accounting policies (Continued)

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 1(w).

(p) Convertible bonds

Convertible bonds that can be converted into ordinary shares at the option of the holder, where the number of shares to be issued is not fixed, are accounted for as compound derivative financial instruments.

At initial recognition the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the host liability component. Transaction costs that relate to the issue of the convertible bonds are allocated to the host liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the host liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured at fair value. The host liability component is subsequently carried at amortised cost. Interest expense recognised in profit or loss on the host liability component is calculated using the effective interest method.

If the bonds are converted, the shares issued are measured at fair value and any difference between the fair value of shares issued and the carrying amounts of the derivative and liability components are recognised in profit or loss. If the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

1 Material accounting policies (Continued)

(q) Derivative financial instruments

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises costs for a restructuring.

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

1 Material accounting policies (Continued)

(s) Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

— temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

— taxable temporary differences arising on the initial recognition of goodwill; and

— those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

1 Material accounting policies (Continued)

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(u) Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the resources related to the services before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the services.

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

1 Material accounting policies (Continued)

(u) Revenue recognition (Continued)

(i) Revenue from contracts with customers (Continued)

(a) Revenue from advertising technology services

Advertising technology services revenues primarily include revenues from provisions of advertising technology services by the Group. The Group utilizes a combination of pricing models and revenue is recognised when the related services are delivered based on the specific terms of the contract, which are commonly based on:

a) specified actions (i.e. cost per action ("**CPA**") or other preferences agreed with advertisers), or

b) agreed rebates to be earned from certain publishers.

Specified actions

Revenue is recognised on a CPA basis once agreed actions (download, activation, registration and etc.) are performed. While none of the factors individually are considered presumptive or determinative, because the Group is the primary obligor and are responsible for (1) identifying and contracting with third-party advertisers which the Group views as customers; (2) identifying mobile publishers to provide mobile spaces where the Group views the mobile publishers as suppliers; (3) establishing the selling prices of CPA pricing model; (4) performing all billing and collection activities, including retaining credit risk; and (5) bearing sole responsibility for fulfilment of the advertising, the Group acts as the principal of these arrangements and therefore recognised revenue earned and costs incurred related to these transactions on a gross basis.

Agreed rebates to be earned from certain publishers

In the arrangement with certain publishers, the Group acts as a sales agent for these publishers by signing up accounts and prepaying data usage fees for clients at the platforms of these publishers. In return, the Group earns incentives from these publishers based on contractually stipulated amounts once certain spending thresholds are achieved. The Group considers these particular publishers as customers and records such incentives as net revenues. Incentives from these publishers are calculated on a quarterly or an annual basis in accordance with the terms as agreed in arrangements.

1 Material accounting policies (Continued)

(u) Revenue recognition (Continued)

(i) ***Revenue from contracts with customers*** (Continued)

(b) Revenue from marketing technology services

Marketing technology services revenues primarily include (1) revenues from subscriptions of the Group's data analytics platform; (2) provisions of customized data analytical services and data pipeline services; (3) providing customers with various SaaS platforms; (4) providing developers with data neutrality, algorithm science related services, (5) managed cloud services where the Group offers direct connection to major cloud platform with accounts opening and management services, and where required, the resale of public cloud services; and (6) provision of license right to cloud related software or mobile applications developed by the Group, and where required, installation and consultation services related to the software.

The revenue from marketing technology services is recognised as follows:

The Group provides certain subscription packages to users which entitle paying subscribers access right to an online, interactive benchmarks explorer tool that is owned, operated and maintained by one of the Group's subsidiaries, and contains data and insights collected or generated by that subsidiary of the Group in accordance with any applicable privacy and data protection law within certain time periods. The subscriptions service is provided on a subscription basis, and subscription fee is charged to customers. Revenue generated from subscription fees is recognized over the subscription period on a straight-line basis.

The revenue from provisions of customized data analytical services and data pipeline services are recognised at the point in time when the relevant services are rendered.

The Group develops and sells customized software. Revenue is recognised when control over the customised software has been transferred to the customer.

The Group authorizes customers to use the Group's SaaS platforms. The service fees are recognised as revenue evenly over the service period.

1 Material accounting policies (Continued)

(u) Revenue recognition (Continued)

(i) ***Revenue from contracts with customers*** (Continued)

(b) *Revenue from marketing technology services* (Continued)

The Group provides services, resale of public cloud services and provision of license right to its software and mobile applications separately, which is a single performance obligation for each contract. Revenue is recognised at a point in time when such services, software and mobile applications are delivered to or downloaded by the users as designated in the contract.

Revenue is generally recognised on a gross basis as the Group is primarily responsible for fulfilling the contract, assumes inventory risk and has discretion in establishing the price when selling to the customer. To the extent the Group does not meet the criteria for recognizing revenue on a gross basis, the Company records the revenue on a net basis.

(ii) ***Revenue from other sources and other income***

(a) *Interest income*

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

1 Material accounting policies (Continued)

(u) Revenue recognition (Continued)

(ii) Revenue from other sources and other income (Continued)

(c) Dividends

Dividend income is recognised in profit or loss on the date on which the group's right to receive payment is established.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into US$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into US$ at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(w) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

1 Material accounting policies (Continued)

(x) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled or jointly controlled by a person identified in (i).

(7) A person identified in (i) (1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

1 Material accounting policies (Continued)

(y) Segment reporting (Continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of services, the type or class of customers, the methods used to provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Accounting judgements and estimates

Notes 12, 23, 26 and 27 contain information about the assumptions and their risk factors relating to valuation of goodwill impairment, fair value of RSUs, financial instruments, and estimation of contingent liabilities. Other significant sources of estimation uncertainty are as follows:

(a) Principal versus agent considerations — revenue from provision of advertising technology services

In determining whether the Group is acting as a principal or as an agent in the provision of advertising technology services requires judgements and considerations of all relevant facts and circumstances. The Group is a principal in a transaction if the Group obtains control of services provided before they are transferred to customers. If control is unclear, when the Group is primarily obligated in a transaction, and has latitude in establishing prices and selecting publishers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from services provided.

(b) Impairment of trade receivables

The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives.

2 Accounting judgements and estimates (Continued)

(c) Income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognised liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the actual current and deferred income tax in the period in which such determination is made.

In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised upon the likely timing and the level of future taxable profits of the individual entities together with the tax planning strategies.

3 Revenue and Segment Reporting

(a) Revenue

The principal services of the Group are the provisions of advertising technology related services and marketing technology related services. Further details regarding the Group's principal activities are disclosed in note 3(b).

(i) Disaggregation of revenue

The disaggregation of revenue from contracts with external customers by service lines is as follows:

	2023 US$'000	2022 US$'000
Revenue from advertising technology related services	**1,038,491**	881,813
Revenue from marketing technology related services	**15,601**	12,592
	1,054,092	894,405

Disaggregation of revenue from contracts with external customers by the timing of revenue recognition and by geographic markets is disclosed in notes 3(b)(i) and 3(c) respectively.

The Group's customer base is diversified. During the year ended 31 December 2023, no (2022: Nil) single customer contributed to 10% or more of the Group's revenue. Details of concentrations of credit risk arising from these customers are set out in note 26(a).

3 Revenue and Segment Reporting (Continued)

(a) Revenue (Continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2023, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is US$36,545,000 (2022: US$32,106,000). This amount represents revenue expected to be recognised in the future upon expiration of the subscription periods to the Group's data analytics platform or provision of advertising technology service. The Group will recognise the expected revenue in future as the expiring of subscription periods or the provision of advertising technology service, which is expected to occur over the next 1 to 12 months (2022: 1 to 12 months).

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both by service lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Advertising technology business: this segment provides its customers globally with mobile advertising services through a programmatic advertising platform and affiliate ad-serving platform.

- Marketing technology business: this segment provides its customers globally with mobile application data analytics service through SaaS platforms of the Group and Cloud-native technology services; develops and sells customised data analytics software; and authorises customers to use the Group's SaaS platforms.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker ("**CODM**") monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The CODM assesses the performance of the operating segments mainly based on segment external revenue and segment gross profit. The revenues from external customers reported to CODM are measured as segment external revenue, which are the revenue derived from the external customers in each segment. The segment gross profit is calculated as external segment revenue minus segment cost of sales. This is the measure reported to the Group's most senior executive management.

3 Revenue and Segment Reporting (Continued)

(b) Segment reporting (Continued)

(i) *Segment results* (Continued)

Disaggregation of revenue from contracts with external customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023 and 2022 is set out below:

	Advertising technology business		Marketing technology business		Total	
	2023 US$'000	2022 US$'000	**2023 US$'000**	2022 US$'000	**2023 US$'000**	2022 US$'000
Disaggregated by timing of external revenue recognition						
Point in time	**1,038,491**	881,813	**13,817**	10,830	**1,052,308**	892,643
Over time	**–**	–	**1,784**	1,762	**1,784**	1,762
Reportable segment external revenue	**1,038,491**	881,813	**15,601**	12,592	**1,054,092**	894,405
Reportable segment costs	**(833,401)**	(713,311)	**(3,400)**	(4,065)	**(836,801)**	(717,376)
Gross profit	**205,090**	168,502	**12,201**	8,527	**217,291**	177,029

(ii) *Segment assets and liabilities*

No segment assets and liabilities information are provided as no such information is regularly provided to CODM of the Group on making decision for resources allocation and performance assessment.

3 Revenue and Segment Reporting (Continued)

(c) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location of the customers' main business.

	Revenue from external customers	
	2023	2022
	US$'000	US$'000
China (note (i))	**355,300**	305,543
EMEA (note (ii)) and Americas (note (iii))	**478,895**	383,379
Asia-Pacific (note (iv))	**211,124**	191,714
Others	**8,773**	13,769
	1,054,092	894,405

Notes:

(i) Includes Mainland China, the Hong Kong Special Administrative Region of the People's Republic of China (the "**PRC**"), the Macau Special Administrative Region of the PRC and Chinese Taiwan.

(ii) Primarily includes the United Kingdom, France, Switzerland, Germany, Greece, Iceland, Saudi Arabia, Jordan, Egypt, Israel and Turkey.

(iii) Primarily includes United States, Canada, Mexico, Brazil, Argentina, Chile and Colombia.

(iv) Primarily includes other Asian countries or regions excluding China.

4 Other net income

	2023 US$'000	2022 US$'000
Gain on disposal of property, plant and equipment	**43**	16
Gain on disposal of subsidiaries	**—**	2,070
Gain on from business restructuring	**—**	46,708
Government grants (note)	**1,078**	544
Interest income on financial assets measured at amortised cost	**2,681**	743
Loss on disposal of financial assets at fair value through profit or loss	**—**	(276)
Net fair value gain on contingent consideration	**—**	346
Net fair value gain/(loss) on financial assets at fair value through profit or loss	**6,715**	(1,211)
Net foreign exchange loss	**(232)**	(5,449)
Others	**780**	3,573
	11,065	47,064

Note: Government grant represented unconditional cash subsidies received by certain PRC subsidiaries from local government for the Group's achievement during the year ended 31 December 2023 and 2022. There are no unfulfilled conditions or contingencies relating to such government grants income recognised.

5 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Note	2023 US$'000	2022 US$'000
(a) Finance costs			
Interests on bank loans		**3,979**	2,299
Interests on lease liabilities		**393**	518
Interests on convertible bonds		**2,782**	2,471
		7,154	5,288
(b) Staff costs			
Contributions to defined contribution retirement plans		**3,857**	4,144
Share-based compensation expenses		**9,340**	12,481
Salaries, wages and other benefits		**36,150**	39,939
		49,347	56,564
(c) Other items			
Depreciation charge			
— property, plant and equipment	10	**638**	584
— right-of-use assets	10	**4,477**	5,619
Amortisation of intangible assets	11	**67,720**	55,358
Impairment losses on trade receivables	26(a)	**6,582**	3,707
Impairment losses on other receivables		**1,000**	—
Auditors' remuneration			
— Audit services		**525**	460
— Interim review		**170**	187
— Tax advisory and other services		**94**	235

6 Income tax in the consolidated statements of profit or loss

(a) Income tax in the consolidated statements of profit or loss represents:

	2023 US$'000	2022 US$'000
Current tax	2,591	1,446
Deferred tax	3,338	(496)
	5,929	950

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands, the British Virgin Islands (the "**BVI**") and Seychelles, the Group is not subject to any income tax in the Cayman Islands, the BVI and Seychelles.

(ii) Adlogic Technology Pte. Ltd., a subsidiary in Singapore, is subject to the prevailing corporate income tax rate of 17% in Singapore. The provision for Singapore Profit Tax for 2023 is taken into account a reduction granted by the Inland Revenue Authority of Singapore of 75% of the tax payable subject to a maximum reduction of Singapore Dollar ("**S$**")10,000 (2022: S$10,000 for the year of assessment 2022–2023) and 50% of the tax payable subject to a maximum reduction of S$190,000 (2022: S$190,000 for the year of assessment 2022–2023) for the year of assessment 2023–2024.

(iii) USCore, Inc. and Mintegral North America Inc., subsidiaries in the United States, are subject to federal income tax rate of 21% in the United States for the years ended 31 December 2023 and 31 December 2022. In addition, USCore, Inc. is subject to taxation in various states of the United States. nativeX, LLC and Adeer, LLC, wholly-owned subsidiaries of USCore, Inc., are treated as disregarded entities for income tax purpose and their income or loss are included in the income tax calculation of USCore, Inc..

(iv) The Enterprise Income Tax ("**EIT**") rate applicable to the subsidiaries registered in the PRC is 25% for the year, except for Guangzhou Huiliang Information Technology Company Limited, Beijing Huiliang Shanhe Information Technology Company Limited, Beijing Reyun Technology Co., Ltd. ("**Beijing Reyun**") and Beijing Qiuqiu Quwan Technology Co., Ltd., which are accredited as a "high and new technology enterprise" and applicable for a preferential enterprise income tax rate of 15% during the year ended 31 December 2023.

(v) The provision for Hong Kong Profits Tax for 2023 is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2022.

The provision for Hong Kong Profits Tax for 2023 takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2022/23 subject to a maximum reduction of HK$6,000 for each business (2022: a maximum reduction of HK$10,000 was granted for the year of assessment 2021/22 and was taken into account in calculating the provision for 2022).

6 Income tax in the consolidated statements of profit or loss (Continued)

(a) Income tax in the consolidated statements of profit or loss represents: (Continued)

Notes: (Continued)

(vi) According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2023 onwards, PRC subsidiaries of the Group engaging in research and development activities are entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for each year ("**Super Deduction**") for the years begin with 2023 (2022: 175% for the year ended 31 December 2022). The Group has made its best estimate for Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the year.

(vii) The PRC EIT Law and its implementation rules impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividends distributed by PRC-resident enterprises to their non-PRC-resident corporate investors for profits earned since 1 January 2008. Under the Sino-Hong Kong Double Tax Arrangement, a Hong Kong subsidiary of the Group is entitled to a reduced withholding tax rate of 5% if it is the "beneficial owner" and holds more than 25% of the equity interest of its PRC enterprise directly.

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2023 US$'000	2022 US$'000
Profit before taxation	**24,517**	11,140
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**4,023**	948
Tax effect of non-deductible expenses	**591**	496
Tax effect of non-taxable income	**(333)**	(1,127)
Tax effect of unrecognised tax loss in current year	**5,833**	4,747
Utilisation of previously unrecognised tax loss	**(66)**	(11)
Super Deduction of research and development expenses and other tax concession	**(3,965)**	(2,865)
Over-provision in prior years	**(154)**	(1,238)
Actual tax expense	**5,929**	950

7 Directors' emoluments

Directors' emoluments are disclosed as follows:

	Year ended 31 December 2023						
Directors	Directors fees US$'000	Salaries, allowances and other benefits in kind US$'000	Retirement scheme contributions US$'000	Discretionary bonuses US$'000	Sub-Total US$'000	Share-based payments US$'000	Total US$'000
Executive directors							
Duan Wei (Mr. Duan)	9	226	4	–	239	–	239
Cao Xiaohuan (Mr. Cao)	–	232	7	141	380	–	380
Fang Zikai	–	149	11	158	318	–	318
Song Xiaofei	–	143	8	104	255	143	398
Non-executive director							
Wong Tak-Wai	–	–	–	–	–	–	–
Independent non-executive directors							
Sun Hongbin	35	–	–	–	35	–	35
Cheung Ho Ling Honnus	35	–	–	–	35	–	35
Hu Jie (note i)	10	–	–	–	10	–	10
WONG Ka Fai Jimmy (note ii)	25	–	–	–	25	–	25
	114	750	30	403	1,297	143	1,440

7 Directors' emoluments (Continued)

	Year ended 31 December 2022						
Directors	Directors fees US$'000	Salaries, allowances and other benefits in kind US$'000	Retirement scheme contributions US$'000	Discretionary bonuses US$'000	Sub-Total US$'000	Share-based payments US$'000	Total US$'000
Executive directors							
Duan Wei	9	58	15	–	82	–	82
Cao Xiaohuan	–	287	69	173	529	–	529
Fang Zikai	–	245	50	186	481	–	481
Song Xiaofei	–	205	37	84	326	66	392
Non-executive director							
Wong Tak-Wai	–	–	–	–	–	–	–
Independent non-executive directors							
Ying Lei	12	–	–	–	12	–	12
Sun Hongbin	35	–	–	–	35	–	35
Cheung Ho Ling Honnus	23	–	–	–	23	–	23
Hu Jie (note i)	35	–	–	–	35	–	35
	114	795	171	443	1,523	66	1,589

Notes:

i. Mr. Hu Jie resigned from his position as an independent non-executive director on 17 April 2023.

ii. Mr. WONG Ka Fai Jimmy was appointed as an independent non-executive director on 17 April 2023.

All the executive directors are key management personnel of the Group during the year and their remuneration disclosed above include those for services rendered by them as key management personnel. During the year, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 8 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8 Individual with highest emoluments

Of the five individuals with the highest emoluments, two of them are the directors for the year ended 31 December 2023 (2022: none), whose emoluments are disclosed in note 7 above. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	2023 US$'000	2022 US$'000
Salaries and other emoluments	974	1,492
Discretionary bonuses	296	587
Share-based compensation	1,137	2,658
Retirement scheme contributions	24	77
	2,431	4,814

The emoluments of the above individuals with the highest emoluments for the year ended 31 December 2023 and 31 December 2022, respectively are within the following band:

	2023	2022
HK$3,000,001 to HK$3,500,000	1	—
HK$5,000,001 to HK$5,500,000	—	1
HK$5,500,001 to HK$6,000,000	—	1
HK$6,000,001 to HK$6,500,000	—	1
HK$6,500,001 to HK$7,000,000	—	1
HK$7,500,001 to HK$8,000,000	2	—
HK$13,500,001 to HK$14,000,000	—	1

(Expressed in United States dollars unless otherwise indicated)

9 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of US$21,804,000 (2022: profit of US$14,994,000) and the weighted average of 1,531,506,334 shares (2022: 1,549,970,313 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2023	2022
At 1 January (note)	**1,527,756,475**	1,633,671,546
Effect of vested RSUs	**18,027,349**	17,491,022
Effect of share repurchase for cancellation	**(14,277,490)**	(14,176,858)
Effect of shares transferred from Seamless as a consideration of business restructuring	**–**	(87,015,397)
Weighted average number of ordinary shares at 31 December	**1,531,506,334**	1,549,970,313

Note:

The number of ordinary shares as at 1 January 2023 represents 1,636,620,164 (2022: 1,664,118,164) outstanding ordinary shares as of the date (note 24(b) netting of 108,863,689 (2022: 30,446,618) treasure shares held as at 1 January 2023 (note 25(f)).

(b) Diluted earnings per share

For the year ended 31 December 2023, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company (diluted) of US$22,493,000 (note 9(b)(i)) (2022: US$3,282,000) and the weighted average number of ordinary shares of 1,593,204,949 (note 9(b)(ii)) (2022: 1,617,298,596) shares in issue adjusted for the potential dilutive effect caused by convertible bonds and the shares granted under the share award scheme.

9 Earnings per share (Continued)

(b) Diluted earnings per share (Continued)

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2023 US$'000	2022 US$'000
Profit attributable to ordinary equity shareholders	**21,804**	14,994
After tax effect of effective interest on the liability component of convertible bonds	**2,782**	2,471
After tax effect of gains recognised on the derivative component of convertible bonds	**(2,093)**	(14,183)
Profit attributable to ordinary equity shareholders (diluted)	**22,493**	3,282

(ii) Weighted average number of ordinary shares (diluted)

	2023	2022
Weighted average number of ordinary shares as at 31 December	**1,531,506,334**	1,549,970,313
Effect of convertible bonds	**41,978,339**	41,978,339
Effect of unvested shares under the Company's share-based compensation scheme	**19,720,276**	25,349,944
Weighted average number of ordinary shares (diluted) as at 31 December	**1,593,204,949**	1,617,298,596

10 Property, plant and equipment

(a) Reconciliation of carrying amount

	Office equipment, furniture and fittings US$'000	Leasehold improvements US$'000	Right of use assets US$'000	Total US$'000
Cost:				
At 1 January 2022	1,972	1,175	18,517	21,664
Additions	713	25	10,920	11,658
Modifications on lease contracts	–	–	(957)	(957)
Disposals	(194)	(13)	(4,304)	(4,511)
Disposal of subsidiaries	(27)	–	–	(27)
Exchange difference	(170)	(88)	(1,115)	(1,373)
At 31 December 2022	2,294	1,099	23,061	26,454
Additions	199	1,167	8,080	9,446
Disposals	(303)	–	(13,459)	(13,762)
Exchange difference	(27)	(23)	(289)	(339)
At 31 December 2023	2,163	2,243	17,393	21,799
Accumulated depreciation:				
At 1 January 2022	(1,118)	(1,050)	(11,883)	(14,051)
Charge for the year	(464)	(120)	(5,619)	(6,203)
Written back on disposals	93	13	4,304	4,410
Exchange difference	245	81	743	1,069
At 31 December 2022	(1,244)	(1,076)	(12,455)	(14,775)
Charge for the year	(458)	(180)	(4,477)	(5,115)
Written back on disposals	297	–	13,083	13,380
Exchange difference	10	24	136	170
At 31 December 2023	(1,395)	(1,232)	(3,713)	(6,340)
Net book value:				
At 31 December 2023	768	1,011	13,680	15,459
At 31 December 2022	1,050	23	10,606	11,679

10 Property, plant and equipment (Continued)

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	At 31 Dec 2023 US$'000	At 31 Dec 2022 US$'000
Properties leased for own use, carried at depreciated cost	**13,680**	10,606

The Group has obtained the right to use properties as its offices through tenancy agreements. The leases typically run for an initial period of 1 to 5 years. Lease payments are usually increased every 1 year to reflect market rentals.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2023 US$'000	2022 US$'000
Depreciation charge of other properties leased for own use	**4,477**	5,619
Interest on lease liabilities (note 5(a))	**393**	518
Expense relating to short-term leases and leases of low-value assets	**1,343**	1,195

During the year, all additions to right-of-use assets were related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 16(e) and 19 respectively.

11 Intangible assets

	Royalties US$'000	Software US$'000	Trademark US$'000	Customer relationships US$'000	Incomplete contracts US$'000	Developed Technology US$'000	Total US$'000
Cost:							
At 1 January 2022	26,154	737	2,069	28,232	1,882	100,011	159,085
Additions	–	410	1	–	–	–	411
Development expenditures capitalization	–	–	–	–	–	79,160	79,160
Disposal of subsidiaries	–	(90)	–	–	–	(2,446)	(2,536)
Exchange difference	(1,207)	(83)	14	(16)	(1)	(821)	(2,114)
At 31 December 2022 and 1 January 2023	24,947	974	2,084	28,216	1,881	175,904	234,006
Additions	–	51	–	–	–	–	51
Development expenditures capitalization	–	–	–	–	–	76,505	76,505
Disposal	–	(35)	–	–	–	–	(35)
Exchange difference	150	(16)	(1)	–	–	(148)	(15)
At 31 December 2023	25,097	974	2,083	28,216	1,881	252,261	310,512
Accumulated amortisation:							
At 1 January 2022	(3,416)	(327)	(1,033)	(588)	(38)	(36,015)	(41,417)
Charge for the year	(2,332)	(53)	(244)	(7,061)	(471)	(45,197)	(55,358)
Disposal of subsidiaries	–	31	–	–	–	–	31
Exchange difference	167	22	(18)	7	–	147	325
At 31 December 2022 and 1 January 2023	(5,581)	(327)	(1,295)	(7,642)	(509)	(81,065)	(96,419)
Charge for the year	(2,288)	(134)	(114)	(7,054)	(470)	(57,660)	(67,720)
Disposal	–	35	–	–	–	–	35
Exchange difference	(41)	4	–	–	–	37	–
At 31 December 2023	(7,910)	(422)	(1,409)	(14,696)	(979)	(138,688)	(164,104)
Net book value:							
At 31 December 2023	17,187	552	674	13,520	902	113,573	146,408
At 31 December 2022	19,366	647	789	20,574	1,372	94,839	137,587

The amortisation charge for the year is included in "Cost of sales", "Selling and marketing expenses", "Research and development expenses" and "General and administrative expenses" in the consolidated statement of profit or loss.

12 Goodwill

	2023 US$'000	2022 US$'000
Goodwill in connection with the acquisition of:		
— nativeX, LLC. (i)	**19,981**	19,981
— Game analytics Aps (ii)	**9,017**	9,017
— Reyun SaaS Business (iii)	**86,344**	86,344
Carrying amount	**115,342**	115,342

(i) Goodwill in connection with the acquisition of nativeX, LLC

In connection with the Group's acquisition of nativeX, LLC, the Group recognised goodwill of US$19,981,000. For the purpose of impairment testing, goodwill has been allocated to the Group's cash-generating units (CGU) identified according to business operation.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projection based on financial forecast approved by management covering a five-year period. The key assumptions used in the estimation of the recoverable amount are post-tax discount rate and budgeted revenue growth rate (average of financial forecasts period) set out below. The expected revenue growth rate is following the business plan approved by the Group. Post-tax discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

	2023	2022
Post-tax discount rate	**25.0%**	25.0%
Terminal value growth rate	**2.5%**	2.5%
Budgeted revenue growth rate (average of financial forecasts period)	**8.2%**	8.4%

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$4,977,000 as at 31 December 2023 (2022: US$7,658,000)

As at 31 December 2023, if the post-tax discount rate rose to 27.2% (2022: 28.4%) or budgeted revenue growth rate (average of financial forecasts period) decreased to 5.8% (2022: 4.0%), the recoverable amount of the CGU would be approximately equal to its carrying amount.

Reasonable possible changes in key assumptions would not lead to impairment as at 31 December 2023 and 2022, respectively.

(Expressed in United States dollars unless otherwise indicated)

12 Goodwill (Continued)

(ii) Goodwill in connection with the acquisition of Game analytics ApS

In connection with the Group's acquisition of Game analytics ApS, the Group recognised goodwill of US$9,017,000. For the purpose of impairment testing, goodwill has been allocated to the Group's CGU identified according to business operation.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projection based on financial forecast approved by management covering a five-year period, which captures the development stage of the CGU's businesses. The key assumptions used in the estimation of the recoverable amount are post-tax discount rate and budgeted revenue growth rate (average of financial forecasts period) set out below. The expected revenue growth rate is following the business plan approved by the Group. Post-tax discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

	2023	2022
Post-tax discount rate	**17.0%**	15.1%
Terminal value growth rate	**2.0%**	3.0%
Budgeted revenue growth rate (average of financial forecasts period)	**8.9%**	7.0%

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$2,845,000 as at 31 December 2023 (2022: US$8,082,000).

As at 31 December 2023, if the post-tax discount rate rose to 20.1% (2022: 21.2%) or budgeted revenue growth rate (average of financial forecasts period) decreased to 7.2% (2022: 4.5%), the recoverable amount of the CGU would be approximately equal to its carrying amount.

Reasonable possible changes in key assumptions would not lead to impairment as at 31 December 2023 and 2022, respectively.

(Expressed in United States dollars unless otherwise indicated)

12 Goodwill (Continued)

(iii) Goodwill in connection with the acquisition of Reyun SaaS business

In connection with the Group's acquisition of a SaaS business which comprise Beijing Reyun and HIO SaaS business (collectively referred to "**Reyun SaaS Business**"), the Group acquired Reyun SaaS Business and recognised goodwill of US$86,344,000 as at 30 November 2021. For the purpose of impairment testing, goodwill has been allocated to the Group's CGU identified according to business operation.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projection based on financial forecast approved by management covering a five-year period. The key assumptions used in the estimation of the recoverable amount are post-tax discount rate and budgeted revenue growth rate (average of financial forecasts period) set out below. The expected revenue growth rate is following the business plan approved by the Group. Post-tax discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

	2023	2022
Post-tax discount rate	**20.0%**	18.5%
Terminal value growth rate	**2.2%**	2.5%
Budgeted revenue growth rate (average of financial forecasts period)	**10.4%**	14.9%

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$10,996,000 as at 31 December 2023 (2022: US$23,777,000).

As at 31 December 2023, if the post-tax discount rate rose to 21.0% (2022: 20.9%) or budgeted revenue growth rate (average of financial forecasts period) decreased to 8.8% (2022: 11.6%), the recoverable amount of the CGU would be approximately equal to its carrying amount.

Reasonable possible changes in key assumptions would not lead to impairment as at 31 December 2023 and 2022, respectively.

(Expressed in United States dollars unless otherwise indicated)

13 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of share held is ordinary unless otherwise stated.

Company name	Place of incorporation and business/date of incorporation	issued and paid-up capital/registered capital	Proportion of ownership interest Direct	Indirect	Principal activities
Mobvista International Technology Limited ("**MIT HK**")	Hong Kong 15 December 2014	HK$10,000	–	100%	Advertising technology services
Adlogic Technology Pte. Ltd.	Singapore 14 October 2015	S$50,000	–	100%	Advertising technology services
Mintegral International Limited (formerly known as Dime Freak Technology Limited)	Hong Kong 24 May 2013	HK$10,000	–	100%	Advertising technology services
Guangzhou Huiliang Information Technology Company Limited (i)	PRC 2 April 2015	US$1,000,000	–	100%	Technology services
Mintegral North America Inc.	US 19 October 2017	US$1	–	100%	Advertising technology services
Adeer, LLC	US 19 October 2017	US$1	–	100%	Advertising technology services
Game Analytics ApS	Denmark 20 October 2011	Euro 74,067	–	100%	Marketing technology services
NativeX, LLC	US 9 June 2010	US$1	–	100%	Advertising technology services
Game Analytics Ltd.	England and Wales 11 September 2014	British Pound 1	–	100%	Marketing technology services
Beijing Huiliang Shanhe Information Technology Company Limited	PRC 6 May 2020	RMB 6,000,000	–	100%	Advertising technology services
Beijing Reyun	PRC 15 November 2013	RMB 2,728,938.91	–	66.14%	Marketing technology services

Note:

(i) The subsidiary is wholly foreign-owned enterprise in Mainland China.

13 Investments in subsidiaries (Continued)

The following table lists out the information relating to Beijing Reyun and its subsidiaries, the subsidiaries of the Group which have a material non-controlling interests (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

	2023 US$'000	2022 US$'000
NCI percentage	**33.86%**	33.86%
Current assets	**6,030**	11,554
Non-current assets	**36,471**	41,887
Current liabilities	**11,186**	11,396
Non-Current liabilities	**4,681**	4,727
Net assets	**26,634**	37,318
Carrying amount of NCI	**9,018**	12,636
Revenue	**7,044**	10,883
Loss for the year	**(9,497)**	(12,458)
Total comprehensive income	**(9,899)**	(12,458)
Loss allocated to NCI	**(3,216)**	(4,804)
Cash flows from operating activities	**6,635**	(3,467)
Cash flows from investing activities	**(6,264)**	(1,373)
Cash flows from financing activities	**(558)**	(491)

No further acquisition of equity interests in Beijing Reyun from the non-controlling shareholders during the year ended 31 December 2023.

During the year ended 31 December 2022, the Group acquired additional 11.68% equity interests in Beijing Reyun from the non-controlling shareholders at cash consideration of RMB103,597,000 (equivalent to approximately US$15,341,000). This resulted in an increase in the Group's equity interests in Beijing Reyun from 54.46% to 66.14%. Difference of US$10,227,000 between the carrying amounts of the interests acquired of US$5,114,000 and the consideration of US$15,341,000 paid for the acquisition of additional interests was debited to capital reserve of US$36,000 and share premium of US$10,191,000 respectively.

14 Financial assets measured at FVPL

	2023 US$'000	2022 US$'000
Financial assets measured at FVPL		
— current portion (i&ii&iii)	**39,026**	31,564
— non-current portion	**1,214**	1,235
Total	**40,240**	32,799

Notes:

Financial assets measured at FVPL at 31 December 2023 mainly included:

(i) An investment in an exchangeable bond with principal amount of US$30,000,000 issued by a SaaS company during the year ended 31 December 2022. The Group has an option to convert the exchangeable bond into ordinary shares from the expiration of the 12 months period from the issue date. The exchangeable bond has been entirely classified to financial assets at FVPL in accordance with IFRS 9. The Group extended the maturity date of the investment to 21 November 2024 during the year ended 31 December 2023. As at 31 December 2023, the fair value of the exchangeable bond is US$37,271,000 (2022: US$30,000,000).

(ii) An investment in an investment fund in the PRC with initial principal amount of US$1,532,000 in August 2019, among which US$287,000 has been exited in 2022. The Group does not have significant influence on the daily operation of the investment fund. The investment has been entirely classified to financial asset measured at FVPL in accordance with IFRS 9. As at 31 December 2023, the fair value of the financial asset measured at FVPL is US$1,129,600 (2022: US$1,149,000).

(iii) A non-guaranteed wealth management product that is redeemable as requested and classified as financial assets measured at FVPL. As at 31 December 2023, The fair value of the investment in the wealth management product amounted to US$1,391,000 (2022: US$1,287,000).

15 Trade receivables, other receivables and prepayments

(a) Trade and other receivables

	2023 US$'000	2022 US$'000
Trade receivables	**139,671**	116,321
Less: Allowance for doubtful debts	**(4,355)**	(6,305)
	135,316	110,016
Amounts due from related parties (note 28(a))	**15,849**	17,212
Other receivables	**13,129**	13,876
	164,294	141,104

All of the trade and other receivables included in current assets are expected to be recovered or recognised as expense within one year.

15 Trade receivables, other receivables and prepayments (Continued)

(a) Trade and other receivables (Continued)

Ageing analysis

As at 31 December 2023, the ageing analysis of trade receivables, based on the revenue recognition date and net of allowance for doubtful debts, is as follows:

	2023 **US$'000**	2022 US$'000
Within 3 months	**117,160**	83,422
3 to 6 months	**6,337**	5,603
6 to 12 months	**3,405**	7,791
Over 12 months	**8,414**	13,200
	135,316	110,016

Trade receivables are due within 30 to 90 days from the date of revenue recognition. Further details on the Group's credit policy are set out in note 26(a).

(b) Prepayments

	2023 **US$'000**	2022 US$'000
Prepayments for:		
— Traffic	**35,104**	27,168
— Others	**9,865**	5,011
	44,969	32,179

16 Cash and bank balances

(a) Restricted cash

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the consolidated statement of financial position, and is not included in the total cash and cash equivalents in the consolidated statement of cash flows.

	2023 US$'000	2022 US$'000
Deposits pledged for bank borrowings	5,277	4,151
Other deposits in banks	4	632
	5,281	4,783

(b) Cash and cash equivalents

	2023 US$'000	2022 US$'000
Cash at bank and on hand	146,348	105,716
Cash and cash equivalents in the consolidated statement of financial position	146,348	105,716
Bank overdrafts (note 18)	(4,473)	(2,117)
Cash and cash equivalents in the consolidated cash flow statement	141,875	103,599

As at 31 December 2023, cash and cash equivalents placed with banks in Mainland China amounted to US$42,074,000 (2022: US$6,139,000). Remittance of funds out of Mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

16 Cash and bank balances (Continued)

(c) Reconciliation of profit before taxation to cash generated from operations:

	Note	2023 US$'000	2022 US$'000
Profit before taxation		**24,517**	11,140
Adjustments for:			
Depreciation	5(c)	**5,115**	6,203
Amortisation	5(c)	**67,720**	55,358
Interest expenses	5(a)	**7,154**	5,288
Interest income	4	**(2,681)**	(743)
Net gain on disposal of property, plant and equipment	4	**(43)**	(16)
Net fair value change on financial assets at FVPL	4	**(6,715)**	1,211
Gain on from business restructuring	4	**—**	(46,708)
Equity-settled share-based payment expenses	5(b)	**9,340**	12,481
Impairment losses recognised on trade receivables	5(c)	**6,582**	3,707
Impairment losses recognised on other receivables	5(c)	**1,000**	—
Gain on disposal of subsidiaries	4	**—**	(2,070)
Change in fair value of contingent consideration	4	**—**	(346)
Loss on disposal of financial assets at FVPL	4	**—**	276
Change in fair value of derivative financial liabilities	20	**(2,093)**	(14,183)
Unrealised exchange gain		**(313)**	1,547
Changes in working capital:			
Decrease in restricted deposits		**628**	—
(Increase)/decrease in trade and other receivables		**(27,112)**	45,383
Increase in prepayments		**(12,921)**	(19,458)
Increase in trade and other payables		**37,020**	40,124
Cash generated from operations		**107,198**	99,194

16 Cash and bank balances (Continued)

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank loans US$'000	Convertible bonds US$'000	Derivative financial liabilities US$'000	Interest payable US$'000	Amounts due to related parties US$'000	Lease liabilities US$'000	Total US$'000
At 1 January 2022	59,269	27,509	16,377	620	192	6,846	110,813
Changes from financing cash flows:							
Proceeds from bank loans	219,653	–	–	–	–	–	219,653
Repayment of bank loans	(235,027)	–	–	–	–	–	(235,027)
Capital element of lease rentals paid	–	–	–	–	–	(4,508)	(4,508)
Interest element of lease rentals paid	–	–	–	–	–	(518)	(518)
Interest and other borrowing cost paid	–	–	–	(2,066)	–	–	(2,066)
Total changes from financing cash flows	(15,374)	–	–	(2,066)	–	(5,026)	(22,466)
Exchange adjustment	(457)	–	–	–	–	(378)	(835)
Other changes:							
Increase in lease liabilities from entering into new leases during the year	–	–	–	–	–	10,920	10,920
Modifications on lease contracts	–	–	–	–	–	(957)	(957)
Business restructuring	–	–	–	–	(192)	–	(192)
Changes in fair value (note 20)	–	–	(14,183)	–	–	–	(14,183)
Interest expenses (note 5(a))	–	2,471	–	2,299	–	518	5,288
Total other changes	–	2,471	(14,183)	2,299	(192)	10,481	876
At 31 December 2022	43,438	29,980	2,194	853	–	11,923	88,388

16 Cash and bank balances (Continued)

(d) Reconciliation of liabilities arising from financing activities (Continued)

	Bank loans US$'000	Convertible bonds US$'000	Derivative financial liabilities US$'000	Interest payable US$'000	Amounts due to related parties US$'000	Lease liabilities US$'000	Total US$'000
Changes from financing cash flows:							
Proceeds from bank loans	60,579	–	–	–	–	–	60,579
Repayment of bank loans	(26,954)	–	–	–	–	–	(26,954)
Capital element of lease rentals paid	–	–	–	–	–	(6,059)	(6,059)
Interest element of lease rentals paid	–	–	–	–	–	(393)	(393)
Interest and other borrowing cost paid	–	–	–	(4,217)	–	–	(4,217)
Total changes from financing cash flows	33,625	–	–	(4,217)	–	(6,452)	22,956
Exchange adjustment	6	–	–	–	–	(174)	(168)
Other changes:							
Increase in lease liabilities from entering into new leases during the year	–	–	–	–	–	8,080	8,080
Disposal of right of use assets	–	–	–	–	–	(413)	(413)
Changes in fair value (note 20)	–	–	(2,093)	–	–	–	(2,093)
Interest expenses (note 5(a))	–	2,782	–	3,979	–	393	7,154
Total other changes	–	2,782	(2,093)	3,979	–	8,060	12,728
At 31 December 2023	77,069	32,762	101	615	–	13,357	123,904

(e) Total cash outflow for leases

Amounts included in the consolidated statement of cash flow for leases comprise the following:

	2023 US$'000	2022 US$'000
Within operating cash flows	**1,343**	1,195
Within financing cash flows	**6,452**	5,026
	7,795	6,221

These amounts all relate to lease rentals paid.

17 Trade and other payables

	2023 US$'000	2022 US$'000
Trade payables (note (a))	**243,877**	206,639
Other payables	**3,581**	2,391
Contract liabilities (note (b))	**36,545**	32,106
Staff costs payables	**5,093**	4,960
Value added tax ("**VAT**") and other tax payables	**3,356**	5,068
	292,452	251,164

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

(a) An ageing analysis of the trade payables based on the invoice date is as follows:

	2023 US$'000	2022 US$'000
Within 1 month	**76,818**	47,499
1 to 2 months	**63,676**	53,929
2 to 3 months	**46,494**	31,211
Over 3 months	**56,889**	74,000
	243,877	206,639

(b) Contract liabilities

	2023 US$'000	2022 US$'000
Advertising technology business contracts — Billings in advance of performance	**26,031**	25,108
Marketing technology business contracts — Billings in advance of performance	**10,514**	6,998
	36,545	32,106

17 Trade and other payables (Continued)

(b) Contract liabilities (Continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

— ***Advertising technology business and marketing technology business contracts***

When the Group receives a deposit before the advertising technology and marketing technology services commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the contracts exceeds the amount of the deposit. The amount of the deposit, if any, was negotiated on a case by case basis with customers.

Movements in contract liabilities

	2023 US$'000	2022 US$'000
Balance at 1 January	**32,106**	19,389
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(32,106)**	(19,389)
Increase in contract liabilities as a result of billing in advance of advertising technology business	**26,031**	25,108
Increase in contract liabilities as a result of billing in advance of marketing technology business	**10,514**	6,998
Balance at 31 December	**36,545**	32,106

All of the contract liabilities are expected to be recognised as income within one year.

18 Bank loans and overdrafts

The analysis of the repayment schedule of bank loans and overdrafts is as follows:

	2023 US$'000	2022 US$'000
Within 1 year or on demand	**49,542**	45,555
After 1 year but within 2 years	**32,000**	—
	81,542	45,555

The Group reached an agreement with its bank to extend a loan of US$40,000,000 originally due on 9 March 2023. The extended loan facility is now due on 9 March 2025. The Group shall make repayment in instalments with US$8,000,000 due on 9 March 2024, and US$32,000,000 due on 9 March 2025.

18 Bank loans and overdrafts (Continued)

As at 31 December 2023 and 2022, the bank loans and overdrafts were secured as follows:

	2023 US$'000	2022 US$'000
Secured bank overdrafts (note (b)/(c)&note 16(b))	4,473	2,117
Unsecured bank loans (note (a))	28,634	1,433
Secured bank loans (note (b)/(c))	48,435	42,005
	81,542	45,555

Notes:

(a) At 31 December 2023, unsecured banking facilities of the Group amounted to US$68,356,000 (2022: US$52,976,000) were guaranteed by Mobvista Inc. The facilities were utilised to the extent of US$28,634,000 (2022: US$1,433,000).

(b) At 31 December 2023, secured banking facilities of the Group amounted to US$108,000,000 (31 December 2022: US$140,000,000), among which, (1) US$68,000,000 (31 December 2022: US$65,000,000) were secured by restricted cash of US$5,277,000 (31 December 2022: US$4,151,000) and guaranteed by Mobvista Inc.; and (2) US$40,000,000 (31 December 2022: US$75,000,000) were secured by charged cash in bank accounts of certain subsidiaries of the Group, by charged shares of certain oversea subsidiaries of the Group, by pledged shares of certain domestic subsidiaries of the Group, and by charged intellectual properties held by a subsidiary of the Group. The facilities were utilised to the extent of US$52,908,000 as at 31 December 2023 (31 December 2022: US$44,122,000).

(c) The Group's banking facilities of US$118,000,000 (31 December 2022: US$140,000,000) are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions, and at the same time, of which US$40,000,000 further requires the controlling shareholder and one of the directors to maintain their equity interests and voting rights in the Company at certain level. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 26(b). As at 31 December 2023, none of the covenants relating to drawn down facilities had been breached (2022: none).

19 Lease liabilities

At 31 December 2023 and 2022, the lease liabilities were repayable as follows:

	31 December 2023 US$'000	31 December 2022 US$'000
Within 1 year	4,027	4,991
After 1 year but within 5 years	9,330	6,932
	13,357	11,923

20 Convertible bonds and derivative financial liabilities

	Debt component US$'000	Derivative component US$'000	Total US$'000
At 1 January 2022	27,509	16,377	43,886
Gain arising on changes of fair value	—	(14,183)	(14,183)
Interest charge	2,471	—	2,471
At 31 December 2022	29,980	2,194	32,174
Gain arising on changes of fair value	—	(2,093)	(2,093)
Interest charge	2,782	—	2,782
At 31 December 2023	**32,762**	**101**	**32,863**

On 22 January 2021, the Company issued convertible bonds to an independent third party ("**the Holder**") with principal amount of US$30,000,000 with a maturity period of three years to 21 January 2024. As at 31 December 2023, in accordance with the agreement, the Group has an unconditional right and intents to defer settlement of the convertible bonds till 21 January 2025.

The convertible bonds bear interest at a coupon rate of 3.5% per annum on a compounded basis payable every twelve months.

The convertible bonds can be converted into ordinary shares of the Company at the Holder's option at an initial conversion price of HK$5.54 per share subject to adjustment for, among other matters, sub-division, consolidation of shares, issue of shares in lieu of the whole or any part of a specifically declared cash dividend, capital distributions, issue of convertible securities, issue of new shares in discount, consideration issues and other dilutive events.

There was no conversion or redemption of the convertible bonds during the year ended 31 December 2023 (2022: Nil).

21 Income tax in the consolidated statements of financial position

(a) Current taxation in the consolidated statements of financial position represents:

	2023 US$'000	2022 US$'000
Current tax payable	**10,441**	7,331
Current tax recoverable	**(286)**	(528)
	10,155	6,803

21 Income tax in the consolidated statements of financial position (Continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from	Tax loss US$'000	Share-based compensation US$'000	Provision for impairment US$'000	Fair value adjustment from business combination US$'000	Depreciation and amortisation US$'000	Goodwill US$'000	Right of use assets US$'000	Lease liabilities US$'000	Other US$'000	Total US$'000
At 1 January 2022	20,192	4,059	1,281	(6,141)	(3,549)	(1,739)	(957)	932	404	14,482
Credited/(charged) to profit or loss	(600)	441	120	1,411	(1,069)	(293)	(655)	779	362	496
Disposal of subsidiaries	(725)	275	–	–	–	–	–	–	–	(450)
Exchange difference	(42)	–	4	–	–	–	53	(54)	1	(38)
At 31 December 2022	18,825	4,775	1,405	(4,730)	(4,618)	(2,032)	(1,559)	1,657	767	14,490
Credited/(charged) to profit or loss	(7,037)	(226)	(570)	1,410	1,342	(293)	(472)	391	2,117	(3,338)
Exchange difference	(13)	–	–	–	–	–	17	(18)	–	(14)
At 31 December 2023	11,775	4,549	835	(3,320)	(3,276)	(2,325)	(2,014)	2,030	2,884	11,138

(ii) Reconciliation to the consolidated statements of financial position

	2023 US$'000	2022 US$'000
Net deferred tax asset recognised in the consolidated statements of financial position	**12,924**	20,357
Net deferred tax liabilities recognised in the consolidated statements of financial position	**(1,786)**	(5,867)
	11,138	14,490

21 Income tax in the consolidated statements of financial position (Continued)

(c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 1(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of US$30,814,000 as at 31 December 2023 (2022: US$20,436,000), as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction.

(d) Deferred tax liabilities not recognised:

The Group is subject to 5% withholding tax on dividends receivable from its PRC subsidiaries in respect of their profits generated since 1 January 2008. As at 31 December 2023, deferred tax liabilities in respect of temporary differences relating to such undistributed profits of US$8,390,000 (2022: US$9,160,000) were not recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that those profits will not be distributed in the foreseeable future.

22 Post-employment benefits

Defined contribution retirement plans

The PRC subsidiaries of the Group participate in defined contribution retirement benefit schemes ("**the Schemes**") organised by the PRC municipal and provincial government authorities whereby the PRC subsidiaries are required to make contributions at the applicable rate of the eligible employees' salaries to the Schemes. The Group has accrued for the required contributions which are remitted to the respective local government authorities when the contributions become due. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

The Group also operates a Mandatory Provident Fund Scheme ("**the MPF scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the plan vest immediately.

The Group contributes on a monthly basis to various defined contribution plans organised by the relevant government authorities in various areas other than Mainland China and Hong Kong, The Group's liability in respect of these plans is limited to the contributions payable at the end of each reporting period.

Contributions to these plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

The Group has no other material obligation for the payment of pension benefits beyond the contributions described above.

(Expressed in United States dollars unless otherwise indicated)

23 Share-based payment

Share-based compensation scheme of the Group

The Company has adopted a share incentive scheme on 27 September 2018 and amended on 19 November 2018, 7 December 2020 and 22 February 2022 separately, for the purposes of incentivise employee, directors, senior management and officers for their contribution to the Group and attract and retain skilled and experienced personnel for the future growth of the Group for providing them with the opportunity to own equity interests in the Company (the "**2018 Scheme**"). The consideration to purchase the shares of the Company is nil.

Two trusts have been set up to assist the Board of Directors with the administration and vesting of RSUs granted pursuant to the 2018 Scheme (the "**RSU trustees**").

During the year ended 31 December 2023, the Group granted 21,323,967 (2022: 31,309,033) RSUs to certain employees of the Group under the 2018 Scheme. Each RSUs is settled by transfer of one ordinary share of the Company from the RSU trustees to the grantee upon its vesting.

Pursuant to the RSUs agreements under 2018 Scheme subject to grantee's continued service to the Group through the applicable vesting date, the RSUs shall become vested after 1 month to 49 months from the date of grant.

Movements in the number of RSUs granted to the Group's directors and employees and the respective weighted-average grant date fair value are as follows:

	2023		2022	
	Number of RSUs	**Weighted average grant date fair value per RSU US$**	Number of RSUs	Weighted average grant date fair value per RSU US$
Outstanding as of 1 January	**21,864,433**	**0.58**	17,203,981	0.51
Granted during the year	**21,323,967**	**0.44**	31,309,033	0.60
Lapsed during the year	**(4,539,455)**	**0.58**	(2,695,039)	0.61
Vested during the year	**(22,592,147)**	**0.56**	(23,953,542)	0.56
Outstanding as of 31 December	**16,056,798**	**0.42**	21,864,433	0.58

23 Share-based payment (Continued)

Share-based compensation scheme of the Group (Continued)

Share-based compensation expense relating to awards granted to employees is based on the grant date fair value of the RSUs and is recognised on a straight-line basis over the entire vesting period. The fair value of each RSU at the grant dates is determined by reference to the fair value of the underlying ordinary shares of the Company on the date of grant. The grant date fair value was determined by the non-adjusted closing price on the Stock Exchange, on a basis that vesting is achieved through the non-market performance condition only. RSUs were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. No dividends have been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the RSUs.

24 Share capital

(a) Authorised

	2023		2022	
	Number of shares	Nominal value of shares US$'000	Number of shares	Nominal value of shares US$'000
At 1 January	**10,000,000,000**	**100,000**	10,000,000,000	100,000
Additions	**–**	**–**	–	–
At 31 December	**10,000,000,000**	**100,000**	10,000,000,000	100,000

The Company was incorporated in the Cayman Islands with an authorised share capital of US$50,000 divided into 5,000,000 shares of US$0.01 each and issued one share, credited as fully paid.

Pursuant to written resolutions consented by the board of directors of the Company on 30 October 2018, the Company's authorised share capital was increased to US$100,000,000 by the creation of an additional 9,995,000,000 ordinary shares of US$0.01 each, ranking pari passu with the existing ordinary shares of the Company in all respects.

24 Share capital (Continued)

(b) Issued and fully paid

	Ordinary shares	
	Number of ordinary shares	Nominal value of fully paid ordinary shares US$'000
As at 1 January 2022	1,664,118,164	16,640
Cancellation of ordinary shares	(27,498,000)	(274)
As at 31 December 2022	1,636,620,164	16,366
Cancellation of ordinary shares	(35,547,000)	(356)
As at 31 December 2023	1,601,073,164	16,010

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the year ended 31 December 2023, the Company repurchased a total of 37,791,000 (2022: 27,415,000) shares of the Company on the Stock Exchange at an aggregate consideration of approximately HK$129,196,000 (equivalent to US$16,542,000) (2022: HK$140,248,000 (equivalent to US$17,959,000)), with highest price paid per share of HK$4.51 (2022: HK$7.04) and lowest price paid per share of HK$2.80 (2022: HK$3.84).

During the year ended 31 December 2023, the Company cancelled 35,547,000 (2022: 27,498,000) shares of the Company. The total carrying amount of these treasury shares were US$16,884,000 (2022: US$20,420,000). Consequently, US$356,000 (2022: US$274,000) was debited to share capital, US$16,528,000 (2022: US$20,146,000) was debited to share premium.

25 Reserves and dividends

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital US$'000 (note 24)	Capital reserve US$'000 (note 25(a))	Share premium US$'000 (note 25(b))	Reserve for treasury shares US$'000 (note 25(f))	Share-based payments reserve US$'000 (note 25(e))	Accumulated loss US$'000	Total equity US$'000
At 1 January 2022	16,640	60,207	268,389	(19,108)	6,971	(7,926)	325,173
Profit for the year	–	–	–	–	–	6,470	6,470
Total comprehensive income	–	–	–	–	–	6,470	6,470
Vested RSUs	–	–	(665)	13,997	(13,332)	–	–
Share-based compensation	–	–	–	–	12,481	–	12,481
Share repurchased for cancellation	–	–	–	(17,959)	–	–	(17,959)
Share transferred from Seamless as a consideration of business restructuring	–	–	–	(100,352)	–	–	(100,352)
Cancellation of ordinary shares	(274)	–	(20,146)	20,420	–	–	–
At 31 December 2022 and 1 January 2023	16,366	60,207	247,578	(103,002)	6,120	(1,456)	225,813
Profit for the year	–	–	–	–	–	(372)	(372)
Total comprehensive income	–	–	–	–	–	(372)	(372)
Vested RSUs	–	–	(9,435)	22,129	(12,694)	–	–
Share-based compensation	–	–	–	–	9,340	–	9,340
Share repurchased for cancellation	–	–	–	(16,542)	–	–	(16,542)
Cancellation of ordinary shares	(356)	–	(16,528)	16,884	–	–	–
At 31 December 2023	16,010	60,207	221,615	(80,531)	2,766	(1,828)	218,239

25 Reserves and dividends (Continued)

(a) Capital reserve

The capital reserve represents the difference between the increase of registered capital and total capital injection and other reserve arising from reorganisation.

(b) Share premium

Under the Companies Law of Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

(c) Statutory reserve

As stipulated by regulations in the PRC, the Company's subsidiaries established and operated in the Mainland China are required to appropriate 10% of their after-tax-profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies.

The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(d) Exchange reserve

Exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign operations which are dealt with in accordance with the accounting policies as set out in note 1(v).

(e) Share-based payments reserve

The share-based payments reserve represents the portion of the grant date fair value of RSUs granted to the directors, employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(r)(ii).

(f) Treasury shares

The Company's treasury shares comprise the cost of the Company's shares held by the RSU trustees and shares repurchased in the open market under the Share Repurchase Mandate.

(Expressed in United States dollars unless otherwise indicated)

25 Reserves and dividends (Continued)

(f) Treasury shares (Continued)

Movements in the number of treasury shares for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
Outstanding as of 1 January	**108,863,689**	30,446,618
Purchased from the market for cancellation during the year (note 24(b))	**37,791,000**	27,415,000
Transferred from Seamless as a consideration of business restructuring during the year	**–**	102,453,613
Cancellation of ordinary shares (note 24(b))	**(35,547,000)**	(27,498,000)
Decrease due to RSU vested during the year (note 23)	**(22,592,147)**	(23,953,542)
Outstanding as of 31 December	**88,515,542**	108,863,689

(g) Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

There is no dividend declared and paid by the Company in 2023 and 2022. There is no final dividend proposed after the end of the reporting period.

(h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, as at 31 December 2023 and 2022 was 63% and 59%, respectively.

25 Reserves and dividends (Continued)

(h) Capital management (Continued)

The Group's debt to asset ratio at 31 December 2023 and 2022 was as follows:

	31 December 2023 US$'000	31 December 2022 US$'000
Current liabilities:		
Trade and other payables	**292,452**	251,164
Current tax payable	**10,441**	7,331
Bank loans and overdrafts	**49,542**	45,555
Lease liabilities	**4,027**	4,991
Derivative financial liabilities	**101**	2,194
Non-current liabilities:		
Bank loans and overdrafts	**32,000**	—
Convertible bonds	**32,762**	29,980
Deferred tax liabilities	**1,786**	5,867
Lease liabilities	**9,330**	6,932
Other non-current liabilities	**—**	21
Total debt	**432,441**	354,035
Total Asset	**691,551**	602,074
Debt to asset ratio	**63%**	59%

26 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Mainland China and reputable financial institution outside of Mainland China and there has been no recent history of default in relation to these financial institutions. Thus the Group's exposure to credit risk arising from cash and cash equivalents and restricted cash is limited and low. The carrying amount of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating and (ii) the remaining lease term and the period covered by the rental deposits.

26 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

The Group does not provide any other guarantees which would expose the Group to credit risk.

The Group's trade and other receivables primarily comprise of amounts receivable from customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 4% (2022: 7%) and 17% (2022: 22%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2023 and 2022:

	2023		
	Expected loss rate %	Gross carrying amount US$'000	Loss allowance US$'000
Current (not past due)	0.53%	86,621	(457)
Less than 3 months past due	1.43%	31,446	(450)
3 to 12 months past due	6.49%	10,418	(676)
13 to 24 months past due	9.50%	7,547	(717)
25 to 36 months past due	56.47%	3,639	(2,055)
Over 36 months past due	100.00%	—	—
		139,671	(4,355)

26 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

	2022		
	Expected loss rate %	Gross carrying amount US$'000	Loss allowance US$'000
Current (not past due)	0.46%	58,554	(267)
Less than 3 months past due	0.81%	25,340	(205)
3 to 12 months past due	2.76%	13,774	(380)
13 to 24 months past due	17.08%	13,046	(2,228)
25 to 36 months past due	57.52%	5,607	(3,225)
Over 36 months past due	100.00%	—	—
		116,321	(6,305)

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the allowance account in respect of trade receivables during the year is as follows:

	2023 US$'000	2022 US$'000
Balance at 1 January	**6,305**	3,963
Impairment losses recognised	**6,582**	3,707
Uncollectable amounts written off	**(8,532)**	(1,365)
Balance at 31 December	**4,355**	6,305

26 Financial risk management and fair values (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the management and directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of 2023 and 2022 of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	At 31 December 2023 Contractual undiscounted cash outflow			
	Within 1 year or on demand US$'000	**More than 1 year but less than 5 years US$'000**	**Total US$'000**	**Carrying amount US$'000**
Trade and other payables (excluding contract liabilities)	**255,907**	**–**	**255,907**	**255,907**
Lease liabilities	**4,562**	**9,826**	**14,388**	**13,357**
Convertible bonds	**3,769**	**30,060**	**33,829**	**32,762**
Bank loans and overdrafts	**53,353**	**32,559**	**85,913**	**81,542**
	317,591	**72,445**	**390,037**	**383,568**

	At 31 December 2022 Contractual undiscounted cash outflow			
	Within 1 year or on demand US$'000	More than 1 year but less than 5 years US$'000	Total US$'000	Carrying amount US$'000
Trade and other payables (excluding contract liabilities)	219,058	–	219,058	219,058
Lease liabilities	5,412	7,463	12,875	11,923
Convertible bonds	2,700	30,000	32,700	29,980
Bank loans and overdrafts	46,146	–	46,146	45,555
	273,316	37,463	310,779	306,516

26 Financial risk management and fair values (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank loans. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate risk profile as monitored by management is set out in (i) below.

(i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group's borrowings, lease liabilities and convertible bonds at the end of the reporting period:

	Notional amount	
	2023	2022
	US$'000	US$'000
Fixed rate borrowings:		
Bank loans	**12,574**	1,433
Lease liabilities	**13,357**	11,923
Convertible bonds	**32,762**	29,980
	58,693	43,336
Variable rate borrowings:		
Bank overdrafts	**4,473**	2,117
Bank loans	**64,495**	42,005
	68,968	44,122

(ii) Sensitivity analysis

As at 31 December 2023, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation for the period by approximately US$689,000 (2022: decreased/increased the Group's profit after taxation for the period by approximately US$442,000) mainly as a result of higher/lower finance costs on bank loans. The impact on the Group's profit after taxation is estimated as an annualised impact on interest expense of such a change in interest rates.

26 Financial risk management and fair values (Continued)

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a foreign currency (i.e. a currency other than the functional currency of the operations to which the transactions relate). The currencies giving rise to this risk are primarily US$, RMB and HK$. The Group manages this risk as follows:

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in US$, translated using the spot rates at the reporting period end date.

Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	At 31 December 2023			
	US$	**HK$**	**RMB**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Trade and other receivables	**7,449**	**7,654**	**314**	**15,417**
Cash and cash equivalents	**20,521**	**1,450**	**329**	**22,300**
Trade and other payables	**(25,201)**	**(2,196)**	**(108)**	**(27,505)**
Net exposure to currency risk	**2,769**	**6,908**	**535**	**10,212**

	At 31 December 2022			
	US$	HK$	RMB	Total
	US$'000	US$'000	US$'000	US$'000
Trade and other receivables	8,595	5,733	1,050	15,378
Cash and cash equivalents	129	723	1,134	1,986
Trade and other payables	(27,433)	(1,933)	(1,731)	(31,097)
Net exposure to currency risk	(18,709)	4,523	453	(13,733)

(Expressed in United States dollars unless otherwise indicated)

26 Financial risk management and fair values (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

A 10% strengthening of functional currency against the following currencies at the reporting date would increase/(decrease) profit after taxation by the amounts shown below. This analysis assumes that all other variables, including interest rates, remain constant.

	2023	2022
US$	**169**	(1,437)
HK$	**702**	378
RMB	**45**	38

A 10% weakening of functional currency against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(e) Fair value

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the reporting date on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations:Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations:Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations:Fair value measured using significant unobservable inputs.

26 Financial risk management and fair values (Continued)

(e) Fair value (Continued)

(i) ***Financial assets and liabilities measured at fair value*** (Continued)

Fair value hierarchy (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at the reporting dates:

31 December 2023

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Assets				
Financial assets measured at FVPL	364	2,605	37,271	40,240
Liabilities				
Derivative financial liabilities				
— derivative component of convertible bonds	–	101	–	101

31 December 2022

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Assets				
Financial assets measured at FVPL	277	2,522	30,000	32,799
Liabilities				
Derivative financial liabilities				
— derivative component of convertible bonds	–	2,194	–	2,194

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

(Expressed in United States dollars unless otherwise indicated)

26 Financial risk management and fair values (Continued)

(e) Fair value (Continued)

(i) ***Financial assets and liabilities measured at fair value*** (Continued)

Valuation techniques and inputs used in Level 2 fair value measurements

The financial assets measured at FVPL are not quoted in an active market. The fair value of financial assets measured at FVPL are the estimated amount that the Group would receive at the end of the reporting period, taking into account the current creditworthiness of the financial assets counterparties.

Fair value of derivative component of convertible bonds is measured by using the option price model. The major inputs used in the valuation model as at 31 December 2023 are discount rate of 8.4% (2022: 10.22%) and expected volatility of 55.63% (2022: 44.95%). The discount rate used is derived from the relevant US government yield curve as at the end of reporting period plus an adequate constant credit spread. The expected volatility is derived from average volatility of the Company since the date backward from the end of reporting period by the remaining term of convertible bonds to the end of reporting period.

The movement during the year in the balance of derivative financial liabilities is set out in note 20.

The gain arising from the remeasurement of the derivative component of convertible bonds are presented in the "Change in fair value of derivative financial liabilities" line item in the consolidated statement of profit or loss.

Information about Level 3 fair value measurements

31 December 2023

Financial instruments	Valuation technique	Significant unobservable inputs	Weighted average	Relationship of unobservable inputs to fair value
Unlisted exchangeable bonds	Option pricing model	Volatility	56%	The higher of volatility, the higher of fair value
	Market approach for underlying share price	EV/EBITDA	23.1	The higher of EV/EBITDA, the higher of fair value
	Market approach for underlying share price	Discounts For Lack Of Marketability ("**DLOM**")	31%	The higher of DLOM, the lower of fair value

(Expressed in United States dollars unless otherwise indicated)

26 Financial risk management and fair values (Continued)

(e) Fair value (Continued)

(i) *Financial assets and liabilities measured at fair value* (Continued)

Information about Level 3 fair value measurements (Continued)

31 December 2022

Financial instruments	Valuation technique	Significant unobservable inputs	Weighted average	Relationship of unobservable inputs to fair value
Unlisted exchangeable bonds	Option pricing model	Volatility	55%	The higher of volatility, the higher of fair value
	Market approach for underlying share price	EV/EBITDA	42.3	The higher of EV/EBITDA, the higher of fair value
	Market approach for underlying share price	DLOM	28%	The higher of DLOM, the lower of fair value

The fair value of unlisted exchangeable bonds is determined using option pricing model and market approach for underlying share price. The significant unobservable inputs used in the fair value measurement is expected volatility, EV/EBITDA ratio, and DLOM. The fair value measurement is positively correlated to the expected volatility and EV/EBITDA ratio while negatively correlated to DLOM.

As at 31 December 2023, it is estimated that with all other variables held constant, an increase in expected volatility by 5% would have increased the Group's profit by US$569,000 (2022: US$1,000,000), while an decrease in expected volatility by 5% would have decreased the Group's profit by US$573,000 (2022: US$500,000). An increase in EV/EBITDA ratio by 5% would have increased the Group's profit by US$1,329,000 (2022: US$1,000,000), while an decrease in EV/EBITDA ratio by 5% would have decreased the Group's profit by US$1,318,000 (2022: US$500,000). An decrease in DLOM by 5% would have increased the Group's profit by US$1,469,000 (2022: US$1,000,000), while an increase in the DLOM by 5% would have decreased the Group's profit by US$1,469,000 (2022: US$500,000).

26 Financial risk management and fair values (Continued)

(e) Fair value (Continued)

(i) *Financial assets and liabilities measured at fair value* (Continued)

Information about Level 3 fair value measurements (Continued)

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	2023 US$'000	2022 US$'000
Unlisted exchangeable bonds:		
Balance at 1 January	30,000	–
Payment for purchases	–	30,000
Interest income	666	–
Gain arising on changes of fair value	6,605	–
Balance at 31 December	37,271	30,000

The gain arising from the remeasurement of the unlisted exchangeable bonds are presented in the "Other net income" line item in the consolidated statement of profit or loss.

(ii) *Fair value of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2023 and 31 December 2022 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

	At 31 December 2023		At 31 December 2022	
	Carrying amount US$'000	Level 2 Fair value US$'000	Carrying amount US$'000	Level 2 Fair value US$'000
Convertible bonds	32,761	31,210	29,980	28,651

Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of the debt component of convertible bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond with consideration of the Group's own non-performance risk.

27 Contingent liabilities

Arbitration in relation to acquisition of Beijing Reyun

On 27 April 2021, the Group and the founders ("**Vendors B**") and the financial investors ("**Vendors A**") of Beijing Reyun entered into acquisition agreements, respectively, pursuant to which the Group has conditionally agreed to acquire and the Vendors A and Vendors B have conditionally agreed to sell in aggregate 100% equity interests at a total consideration of RMB1,500,000,000 (the "**Original Consideration**") in Beijing Reyun.

In order to reflect the market trends and conditions, the Group and all Vendors B (who in aggregate own approximately 52.13% equity interests in Beijing Reyun) and certain of Vendors A (who in aggregate own approximately 14.01% equity interests in Beijing Reyun) entered into certain supplemental agreements to adjust the acquisition consideration. On 30 November 2021, the Group completed the acquisition of 54.46% equity interests in Beijing Reyun. During the year ended 31 December 2022, the Group acquired an additional 11.68% equity interests in Beijing Reyun, increasing the Group's equity interests in Beijing Reyun from 54.46% to 66.14%.

As at 31 December 2023, the Group is still under negotiation with the remaining Vendors A, which in aggregate own approximately 33.86% of the equity interests in Beijing Reyun (the "**Remaining Vendors A**"), to adjust and agree on the remaining portion of the acquisition consideration. The Group considered that the preconditions that whether a material adverse event stipulated in the acquisition agreements has incurred, the rights and obligations of the parties in the acquisition agreements would then be ineffective, and the Group and the Remaining Vendors A are not obligated to fulfil their respective rights and obligations accordingly. However, the Remaining Vendors A believe that the Group should continue to adhere to the acquisition agreement. In response to this dispute, the Remaining Vendors A filed for arbitration with the Guangzhou Arbitration Commission (廣州仲裁委員會), with cases registered on 9 May 2022, ("**Arbitration Case A**"), and on 21 September 2022 ("**Arbitration Case B**").

On 4 September 2023, and 8 September 2023, the Guangzhou Arbitration Commission issued arbitral awards (the "**Awards**") in favour of the Remaining Vendors A regarding the Arbitration Case A and Arbitration Case B, respectively. According to the Awards, the Group was required to pay a total of RMB508,120,000 (equivalent to US$72,102,000) as the consideration for the equity interests of Beijing Reyun held by the Remaining Vendors A, along with an additional amount of RMB77,567,000 (equivalent to US$11,006,000) as delayed interests and other arbitration-related expenses.

On 15 September 2023 and 19 September 2023, the Group filed applications to the Guangzhou Intermediate People's Court (廣州市中級人民法院) to set aside the Awards. In addition, the Group has made an application to the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) ("**NDRC**") for security review of the acquisition of Beijing Reyun, and the NDRC has accepted and is currently reviewing such application. Pursuant to the Measures for the Security Review of Foreign Investment (外商投資安全審查辦法) (the "**Measures**"), until the NDRC returns with a decision with respect to the security review, the Group should not further proceed with completion of the equity transfer and payment pursuant to the relevant acquisition agreement or the Awards. In light of the setting aside applications in relation to the Awards, the Group have applied for, and the Beijing No. 1 Intermediate People's Court (北京市第一中級人民法院) has granted, a stay of enforcement of the Awards, pending the outcomes of the said setting aside applications.

27 Contingent liabilities (Continued)

Arbitration in relation to acquisition of Beijing Reyun (Continued)

As of the reporting date, the Guangzhou Intermediate People's Court and the NDRC are still reviewing the process of annulling the Awards and matters in relation to national security respectively. Considering inputs from internal and external legal advisors, the Group believes that the final court ruling is more likely to be favourable to the Group, and therefore, no provision has been made regarding this legal dispute.

28 Material related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions.

During the year, the directors are of the view that the following are related parties of the Group:

Name of party	Relationships
Guangzhou Ruisou Information Technology Co., Ltd. ("**Guangzhou Ruisou**")	Entity controlled by the ultimate controlling party
Duanshi Industrial Investment (Guangzhou) Co., Ltd. ("**Duanshi Investment**")	Indirectly wholly-owned by the ultimately controlling party
Guangzhou Huichun Industrial Investment Co., Ltd. ("**Guangzhou Huichun**")	Indirectly wholly-owned by Mr. Cao, one of the executive directors of the Company
Marketlogic Technology Limited ("**Marketlogic Technology**")	Entity controlled by the ultimate controlling party

28 Material related party transactions (Continued)

(a) Balances with related parties

As at 31 December 2022 and 2023, the Group had the following balances with related parties:

	2023 US$'000	2022 US$'000
Amounts due from related parties (note 15)		
— Marketlogic Technology	**15,849**	17,212
Lease Liabilities		
— Guangzhou Ruisou	**5,560**	2,632
— Guangzhou Huichun	**440**	128
— Duanshi Investment	**—**	128
	6,000	2,888

(b) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	2023 US$'000	2022 US$'000
Short-term employee benefits	**1,838**	1,492
Discretionary bonus	**699**	587
Share-based compensation expenses	**1,280**	2,658
Retirement scheme contributions	**54**	77
	3,871	4,814

Total remuneration is included in "staff costs" (see note 5(b)).

28 Material related party transactions (Continued)

(c) Leasing arrangement

During the year ended 31 December 2023, the total amounts of rent payable per month under the leasing arrangement entered into by the Group and Guangzhou Ruisou, Guangzhou Huichun and Duanshi Investment ("**the Original Lease Agreement**") are equivalent to US$278,000 (2022: US$265,000), the Original Leasing Arrangement expired on 31 December 2023.

At the end of 31 December 2023, the Group entered into another three-year leasing arrangement with Guangzhou Ruisou and Guangzhou Huichun ("**the New Lease Agreement**"), the total amounts of rent payable per month under the New Leasing Arrangement are equivalent to US$219,000 in the first year, US$230,000 in the second year, US$241,000 in the third year respectively. As at 31 December 2023, the total amounts of right-of-use assets and the amount of lease liabilities are US$7,133,000 (31 December 2022: US$2,436,000) and US$6,000,000 (31 December 2022: US$2,888,000) respectively.

(d) Other material related party transactions

(i) The Group disposed business in relation to media planning and procurement ("**the Target Business**") to Zhuhai Huiliang Investment Holdings Company Limited, Marketlogic Technology Limited (collectively referred to "**the Transferees**") in 2022. Subsequent to the disposal of the Target Business on 3 March 2022, the Group continued collecting receivables and settling payables arising from certain legacy business contracts with third parties on behalf of the Transferees amounted to US$3,786,000 and US$6,883,000 respectively during the year ended 31 December 2023 (2022: US$32,570,000 and US$46,701,000 respectively). The Transferees and the Group agreed to settle the receivables and payables aforesaid on a net basis. As at 31 December 2023, the balance of amounts due from the Transferees amounted to US$7,766,000 (as at 31 December 2022: US$15,128,000).

(ii) On 30 August 2022, the Group and Marketlogic Technology entered into (i) the Digital Marketing Service Agreement, pursuant to which, among others, the Group agreed to provide digital marketing services to Marketlogic Technology on a programmatic advertising platform; and (ii) the Digital Marketing Service (Top Media) Master Agreement, pursuant to which Marketlogic Technology agreed to provide digital marketing services to the Group on major media platforms. During the year ended 31 December 2023, the Group provided digital marketing services to Marketlogic Technology amounted to US$19,628,000 and received digital marketing services from Marketlogic Technology amounted to US$656,000 (2022: the Group provided digital marketing services to Marketlogic Technology amounted to US$6,643,000 and received digital marketing services from Marketlogic Technology amounted to US$295,000). As at 31 December 2023, the balance of amounts due from Marketlogic Technology amounted to US$8,083,000 (As at 31 December 2022: US$2,084,000).

29 Company-level statement of financial position

	Note	31 December 2023 US$'000	31 December 2022 US$'000
Non-current assets			
Investment in subsidiaries		**249,377**	240,039
		249,377	240,039
Current assets			
Prepayments		**463**	1,880
Amounts due from subsidiaries		**137,938**	144,169
Other receivables		**424**	429
Financial assets measured at FVPL		**38,749**	31,287
Cash and cash equivalents		**1,451**	11,631
Restricted cash		**—**	11
		179,025	189,407
Current liabilities			
Bank loans		**16,000**	42,005
Derivative financial liabilities		**101**	2,194
Other payables		**672**	826
Amounts due to subsidiaries		**128,628**	128,628
		145,401	173,653
Net current assets		**33,624**	15,754
Total assets less current liabilities		**283,001**	255,793
Non-current liabilities			
Bank loans-non current		**32,000**	—
Convertible bonds		**32,762**	29,980
		64,762	29,980
NET ASSETS		**218,239**	225,813
Share capital	24	**16,010**	16,366
Reserves	25	**202,229**	209,447
TOTAL EQUITY		**218,239**	225,813

(Expressed in United States dollars unless otherwise indicated)

30 Immediate and ultimate controlling party

As at the date of this report, the directors consider the immediate controlling party of the Company to be Seamless, which is incorporated in BVI, and the ultimate controlling party of the Company to be Mr. Duan.

31 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to date of issue of the financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")*	1 January 2024
Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")*	1 January 2024
Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*	1 January 2024
Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements*	1 January 2024
Amendments to IAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have an adverse significant impact on the consolidated financial statements.

"AI"	artificial intelligence
"AIGC"	artificial intelligence generated content
"AGM"	annual general meeting
"API"	application programming interface
"Articles" or "Articles of Association"	the articles of association of our Company as amended from time to time
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"CG Code" or "Corporate Governance Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China", "PRC" or "Mainland China"	the People's Republic of China, which for the purpose of this annual report only excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Companies Law"	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Company", "our Company", "the Company" or "Mobvista"	Mobvista Inc. (匯量科技有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 16 April 2018
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Seamless, Guangzhou Mobvista and Mr. Duan
"CPC"	cost per click
"CPE"	cost per engagement
"CPI"	cost per install
"CPL"	cost per lead
"Director(s)"	the director(s) of our Company
"Employee RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by our Board on 27 September 2018 and amended on 19 November 2018, 7 December 2020 and 22 February 2022

"FVPL"	fair value through profit or loss
"GameAnalytics" or "GA"	GameAnalytics ApS, a Denmark-based company that operates a SaaS game data analytics platform for game developers
"GDPR"	the General Data Protection Regulation
"Group", "our Group", or "the Group"	the Company and its subsidiaries from time to time
"Guangzhou Duanshi"	Guangzhou Duanshi Investment Holdings Limited, a company established in the PRC on 21 November 2022 and de facto controlled by Mr. Duan
"Guangzhou Huichun"	Guangzhou Huichun Industrial Investment Co., Ltd., a company established in the PRC with limited liabilities on 19 July 2017 and de facto controlled by Mr. Cao
"Guangzhou Huihong"	Guangzhou Huihong Capital Management Partnership (Limited Partnership), a partnership established in the PRC on 28 June 2020 and de facto controlled by Mr. Duan
"Guangzhou Huimao"	Guangzhou Huimao Investment Consulting Center (Limited Partnership), a partnership established in the PRC on 13 May 2015 and de facto controlled by Mr. Duan
"Guangzhou Huimu"	Guangzhou Huimu Enterprise Management Consulting Co., Ltd., a company established in the PRC with limited liabilities on 27 December 2016 and is owned by Mr. Duan as to 70%
"Guangzhou Huiqian"	Guangzhou Huiqian Management Consulting Centre (Limited Partnership), a partnership established in the PRC on 23 November 2015 and de facto controlled by Mr. Cao
"Guangzhou Huisui"	Guangzhou Huisui Investment Co., Ltd., a company established in the PRC with limited liabilities on 8 May 2015 and is owned by Mr. Duan as to 95%
"Guangzhou Mobvista"	Mobvista Co., Ltd.* (廣州匯量網絡科技股份有限公司), a company established in the PRC as a joint stock limited company on 15 July 2015 through conversion from a limited liability company (i.e. Guangzhou Huitao), the shares of which were delisted from the National Equities Exchange and Quotations of the PRC on 8 June 2020
"Guangzhou Ruisou"	Guangzhou Ruisou Information Technology Co., Ltd., a company established in the PRC with limited liability on 7 November 2013 and a direct wholly-owned subsidiary of Guangzhou Mobvista

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	the International Financial Reporting Standards, amendments and interpretation issued from time to time by the International Accounting Standards Board
"Latest Practicable Date"	12 April 2024, the latest date prior to the printing of this annual report for ascertaining certain information in this annual report
"Listing Date"	12 December 2018, the date on which the Company was listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Management RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by our Board on 19 November 2018 and amended on 7 December 2021 and 22 February 2022
"Marketlogic Technology"	Marketlogic Technology Limited, a business company incorporated in the Hong Kong with limited liability on 19 June 2020 and wholly-owned by Seamless
"Mintegral International"	Mintegral International Limited, a business company incorporated in the Hong Kong with limited liability on 24 May 2013 and an indirect wholly-owned subsidiary of our Company
"Mobvista Technology"	Mobvista (Guangzhou) Technology Limited, a company established in the PRC with limited liability on 2 April 2015 and an indirect wholly-owned subsidiary of our Company
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Cao"	Mr. CAO Xiaohuan, one of our co-founders, an executive Director and the chief executive officer of our Company
"Mr. Duan"	Mr. DUAN Wei, one of our co-founders and Controlling Shareholders, an executive Director and the chairman of the Company
"Mr. Fang"	Mr. FANG Zikai, an executive Director and the chief product officer of our Company

"Nomination Committee"	the nomination committee of the Company
"programmatic advertising"	the automatic buying and selling of ad inventories and automatic ad delivery through SDK or API
"Prospectus"	the prospectus of the Company dated 30 November 2018
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	from 1 January 2023 to 31 December 2023
"RMB"	Renminbi yuan, the lawful currency of China
"RSU"	a restricted share unit award granted to a participant under the RSU Schemes
"RSU Schemes"	the Employee RSU Scheme and the Management RSU Scheme
"SaaS"	software as a service, a way of delivering applications over the internet
"SDK"	software development kit, a set of software development tools that allows the creation of applications for a certain software package
"Seamless"	Seamless Technology Limited, a business company incorporated in the BVI with limited liability on 24 November 2014 and wholly-owned by Guangzhou Mobvista
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.01 each
"Shareholder(s)"	holder(s) of the Share(s)
"Share Option Scheme"	the share option scheme we conditionally adopted pursuant to a resolution passed by our Shareholders on 30 October 2018
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed thereto in the Listing Rules
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"We", "us" or "our"	our Company or our Group, as the context may require
"%"	per cent