

Weimob 微盟

WEIMOB INC. 微盟集團*

(Incorporated in the Cayman Islands with limited liability)

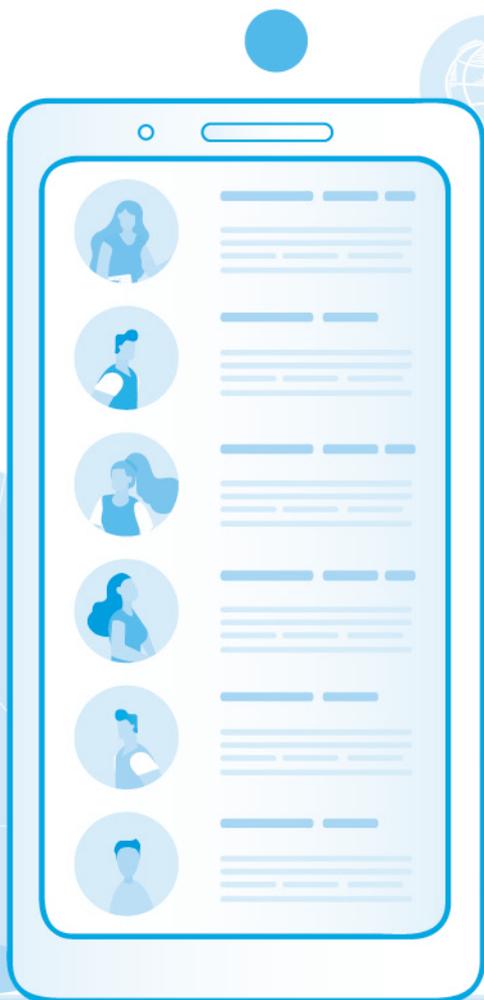
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2013

Interim Report 中期報告 2022

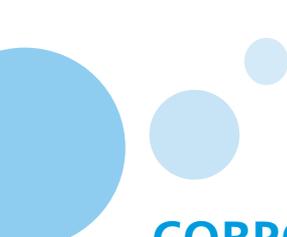


*For identification purpose only 僅供識別



Contents

2	Corporate Information
4	Financial Highlights
5	Chairman's Statement
11	Management Discussion and Analysis
25	Other Information
41	Condensed Consolidated Statement of Comprehensive Loss
43	Condensed Consolidated Statement of Financial Position
45	Interim Condensed Consolidated Statement of Changes in Equity
47	Interim Condensed Consolidated Statement of Cash Flows
49	Notes to the Interim Financial Information
105	Definitions



CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. SUN Taoyong (*Chairman*)
Mr. FANG Tongshu
Mr. YOU Fengchun
Mr. HUANG Junwei

Independent Non-executive Directors

Dr. SUN Mingchun
Dr. LI Xufu
Mr. TANG Wei

JOINT COMPANY SECRETARIES

Mr. CAO Yi
Ms. NG Sau Mei (*FCG, HKFCG*)

AUDIT COMMITTEE

Mr. TANG Wei (*Chairman*)
Dr. SUN Mingchun
Dr. LI Xufu

REMUNERATION COMMITTEE

Dr. SUN Mingchun (*Chairman*)
Dr. LI Xufu
Mr. SUN Taoyong

NOMINATION COMMITTEE

Mr. SUN Taoyong (*Chairman*)
Dr. SUN Mingchun
Dr. LI Xufu

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F Prince's Building
Central
Hong Kong

LEGAL ADVISOR

As to Hong Kong and U.S. laws:
Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

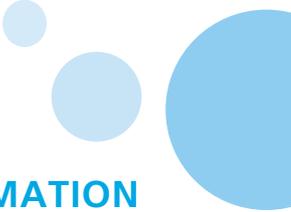
As to Cayman Islands law:
Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Bank of Shanghai Co., Ltd.
Pilot Free Trade Zone Branch
1/F, China Aluminium High Building
No. 53 Changqing North Road
Pudong District
Shanghai
PRC

China CITIC Bank Co., Ltd.
Waitan Branch
No. 290 Beijing East Road
Huangpu District
Shanghai
PRC

China Construction Bank Corporation
Shanghai Zhangmiao Branch
No. 1768 Changjiang West Road
Baoshan District
Shanghai
PRC



CORPORATE INFORMATION

AUTHORIZED REPRESENTATIVES

Mr. SUN Taoyong
Ms. NG Sau Mei

REGISTERED OFFICE

P.O. Box 309, Uglan House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Weimob Building
No. 258, Changjiang Road
Baoshan District
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2701, 27th Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

2013

COMPANY'S WEBSITE

www.weimob.com

FINANCIAL HIGHLIGHTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Six months ended June 30, 2022⁽¹⁾ (Unaudited)	2021 (Unaudited)	Year-on-year change
	<i>(RMB in millions, except percentages)</i>		
Revenue	899.6	959.4	(6.2%)
Gross profit	597.7	760.0	(21.4%)
Operating loss	(630.6)	(163.7)	285.2%
Loss before income tax	(680.4)	(569.8)	19.4%
Loss for the period	(658.8)	(560.2)	17.6%
Non-HKFRS Measures:			
Adjusted EBITDA	(384.7)	15.8	(2,534.8%)
Adjusted net loss	(567.4)	(94.7)	499.2%

Note: (1) All financial figures mentioned thereafter refer to financial performance from continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of June 30, 2022 (Unaudited)	As of December 31, 2021 (Audited)	Change
	<i>(RMB in millions, except percentages)</i>		
Assets			
Non-current assets	3,601.1	2,919.0	23.4%
Current assets	5,754.7	6,517.5	(11.7%)
Total assets	9,355.8	9,436.5	(0.9%)
Equity			
Capital and reserves attributable to the equity holders of the Company	3,361.4	4,063.5	(17.3%)
Non-controlling interests	87.7	150.3	(41.6%)
Total equity	3,449.1	4,213.8	(18.1%)
Liabilities			
Non-current liabilities	2,463.4	2,429.8	1.4%
Current liabilities	3,443.3	2,792.9	23.3%
Total liabilities	5,906.7	5,222.7	13.1%
Total equity and liabilities	9,355.8	9,436.5	(0.9%)

CHAIRMAN'S STATEMENT

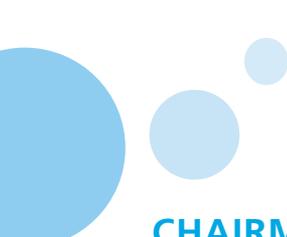
RESULTS HIGHLIGHTS FOR THE FIRST HALF OF 2022

In the first half of 2022, offline consumption, travel and other fields faced challenges imposed by the Covid-19 pandemic. Meanwhile, we saw a strong demand from enterprises to reduce their costs and increase their efficiency and an increasing willingness from enterprises for digital transformation. The SaaS market remained healthy and sustainable. In order to enhance the Group's research and development (the "R&D") efficiency and meet the diversified demands of customers, WOS, a new business operating system of Weimob, officially launched an open test and data migration in the first half of 2022. Meanwhile, the Group continued to promote the strategy of moving up-market, ecosystem build-up, globalization, and deepened its overall business arrangements for Integrated Marketing and Sales Smart Growth Solution (the "TSO"), so as to continuously create value for our customers and shareholders.

In the first half of 2022, the overall operation remained resilient, though the principal places of operation of the Group were seriously affected by the Covid-19 pandemic. Revenue from Subscription Solutions continued to grow under the impact of the prevention and control caused by Covid-19 pandemic in April and May 2022. Revenue from Merchant Solutions decreased from the high base of last year due to the Covid-19 pandemic and economic cycle, but bottomed out in June and July 2022. For the six months ended June 30, 2022, our total revenue from continuing operations reached RMB900 million, representing a decrease of 6.2% as compared with the total revenue from continuing operations for the same period of last year. The gross profit from continuing operations decreased by 21.4% from RMB760 million in the first half of last year to RMB598 million in the first half of 2022, and the adjusted net loss was RMB567 million. As of June 30, 2022, our cash and bank balances reached RMB3,682 million, with abundant cash reserves and a healthy financial structure.

For the six months ended June 30, 2022, our revenue from Subscription Solutions was RMB581 million, representing a year-on-year increase of 5.7%, the number of paying merchants increased by 1.7% to 103,616, and the ARPU increased by 4.0% to RMB5,608. Revenue from Merchant Solutions was RMB319 million, representing a year-on-year decrease of 22.3%; the number of paying merchants decreased by 2.6% to 26,770. Under the impact of the pandemic and macroeconomic, the advertising budgets of merchants decreased, and the ARPU decreased by 20.2% to RMB11,899. We assisted merchants in the placement of a gross billing of RMB4.208 billion, representing a year-on-year decrease of 25.4%.

The Group continued to promote the implementation of three major strategies. In terms of moving up-market, in the first half of 2022, the proportion of revenue from Smart Retail increased to 41%. More and more retail brands take Weimob Smart Retail as their first choice. It is expected that the proportion of revenue from key accounts merchants will increase to nearly 50% in 2023 and nearly 70% in 2025. The Group has officially become the official operation service provider for the WeChat video account, linking video account live streaming with the SaaS of the Company. Smart Retail and WeiMall business had access to the "sharer in the live streaming studio" function, thus enabling the efficient growth of live streaming performance of customers. The Company actively promoted the improvement in "video account commercialization", focused on the operation services for video account live streaming and provided customers with operational capabilities in investment promotion, agency operation, training and supply. During "The Third 616 Weimob Retail Shopping Festival", the business scale of merchants in the video account live streaming segment of Weimob hit a record high in the first half of 2022, and the GMV targets of certain brand merchants exceeded 200%.



CHAIRMAN'S STATEMENT

In terms of ecosystem, more than 60 high-quality ecosystem partners newly joined the Weimob Cloud Platform in the first half of 2022. Meanwhile, Weimob Cloud Platform launched lots of applications, among which over 500 cloud market applications and services were newly developed and released. In the first half of 2022, “Beidou Star (北斗星)” service provider selection was launched by Weimob Cloud, selecting the first batch of over 20 Weimob Cloud Beidou Star service providers. WOS, the new commercial operating system of Weimob, has been officially launched in March 2022, which provides merchants with full-chain, full-scenario, integrated SaaS products and innovative applications. The new commercial operating system WOS realized a comprehensive upgrade of product, technical and ecological capabilities, building a decentralized business infrastructure for enterprises, so as to break the bottleneck that multiple-systems cannot be integrated for enterprises and brands, drive the accumulation and unleash the value of digital assets. At the same time, we will continuously introduce and develop ecosystem partners to promote the ecosystem development and industrial upgrading of the business service industry in China. At present, the new commercial operating system of Weimob WOS has completed the launch of major products and solutions covering customers in the e-commerce retail industry, including core products such as WeiMall, OneCRM, WeCom Assistant, and Smart Retail Solutions, and a number of industry solutions including supermarkets, catering, beauty industry and hotels will be gradually available online.

In terms of globalization, the Company continuously deepened its globalization arrangements, cooperating with foreign mainstream media including Google, Facebook and Tik Tok, so as to efficiently enable Chinese enterprises to explore overseas markets. In the first half of 2022, ShopExpress, the Company's cross-border stand-alone website product, had a total of over 350 product functions, covering website building and decoration, traffic driving with social media, customer acquisition and transformation. In addition, ShopExpress also launched full-chain, digital and international solutions for B2B industries including machinery, lighting, automobile and motorcycle parts and electronic components.

In the first half of 2022, the Company's market recognition was further improved, winning titles including the 2021 Excellent Partner of Tencent Smart Retail under the Thousand Domain Plan (騰訊智慧零售千域計劃2021年度優秀合作夥伴), “Best SaaS Company” by Zhitongcaijing.com and “Best Enterprise Service Brand” by Xincailing (鎔財經).

In the first half of 2022, the Company actively fulfilled its corporate social responsibility and launched the “Spring Rain” plan to support merchants in the fight against the Covid-19 pandemic during the outbreak in Shanghai, providing up to a million-level traffic for exposure in a single event, in order to help drive public traffic for cooperative brands in different industries. The Company played an active role in helping Shanghai companies combat the Covid-19 pandemic digitally. Fresh merchants relying on the community, such as “Caixiaorui”, “Counting Delicious”, “Haitianxia”, and “Lucky Housekeeper”, set up small program malls with the help of Weimob to serve the community residents and ensure their “Vegetable Basket” supply. In addition, during the Covid-19 pandemic in Shanghai, the Group donated 21 tons of emergency livelihood materials and medical supplies to residents of the headquarters, mobilized resources from various parties, and fully promoted staff volunteers to participate in the Shanghai anti-epidemic campaign.

In July 2022, the foundation stone laying ceremony of the headquarters building of Weimob was launched. The Company will strive to make the headquarters building a new landmark for the cloud services of Chinese enterprises and perform the mission to “support the digital transformation and upgrade of enterprises and drive business innovation through technologies, thus making business more intelligent”. In addition, the Company will actively respond to the goal of developing Shanghai as a major center for science and technology innovation so as to realize the unity of corporate business value and social responsibility.

BUSINESS REVIEW

In the first half of 2022, our overall revenue performance was solid, the proportion of revenue from key accounts continued to increase and we entered the track of high-quality and sustainable development. Although the epidemic prevention and control in certain regions affected the performance in April and May 2022, the Company made a strong rebound with the recovery of the online and offline retail supply chain in June 2022, breaking the single-month performance record since last year, indicating that the Company's business should fully recover in the second half of the year.

The following are the key performances of our main businesses and products during the first half of 2022.

Subscription Solutions:

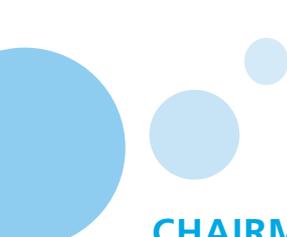
The commercial cloud segment of our Subscription Solutions mainly provides SaaS software for e-commerce retail, catering, local life and other industries, enabling merchants to carry out private traffic management. In the first half of 2022, the revenue from our Subscription Solutions was RMB581 million, representing a year-on-year increase of 5.7%, with the number of paying merchants increasing by 1.7% to 103,616 and the ARPU increasing by 4.0% to RMB5,608.

In the first half of 2022, Weimob WeiMall and Smart Retail Solutions deeply cooperated with Xiaohongshu (小紅書), to improve the merchants' ability to make arrangements in all channels, by helping merchants open stores on Xiaohongshu. Meanwhile, Weimob, as an ecosystem marketing service provider of Xiaohongshu, further removed barriers in a complete chain from content recommendation to transaction transformation in the ecosystem of Xiaohongshu for merchants.

With the launch of the "sharer in the live streaming studio" function of WeChat, Weimob WeiMall and Smart Retail had access to the function, which enabled merchants to define shopping guides and micro customers as sharers. By recommending the studio, users are guided to carry out transactions, and they can link their relationship chains and earn commissions, thus facilitating efficient growth of the private live streaming performance of merchants. In addition, Weimob WeiMall and Smart Retail were synchronously upgraded, and supported merchants in having access to WeChat customer service functions in multiple scenarios inside and outside WeChat, thus providing customers with exclusive customer services.

As of June 30, 2022, we had 6,984 merchants in Smart Retail. The revenue from Smart Retail reaching RMB236 million in the first half of 2022, representing a year-on-year increase of 28.9% and accounting for 40.7% of our revenue from Subscription Solutions. There were 1,155 brand merchants, with an average contract value of RMB203 thousand.

The Third 616 Weimob Retail Shopping Festival with the theme of "digitally creating excellent products in retail" marked the transition of the smart retail business of Weimob from 1.0 "enabling" to 2.0 "restructuring". The shopping festival focused on the incubation and training of digital retail operation teams, a backbone of the digital transformation of enterprises. The Company invested a large amount of resources to support the digital restructuring and efficiency improvement of physical retail enterprises in various forms including training guidance, drills, stage display, etc., so as to further explore the way for the era of digital retail 2.0. Since its launch, the event has attracted the participation of nearly a hundred mainstream brands in the retail industry, including Lenovo Lebay (聯想樂俱), Shanghai Jahwa (上海家化), Mengniu (蒙牛), Lecoo (來酷科技), 3trees (三棵樹), and Uni-President (統一企業).



CHAIRMAN'S STATEMENT

In terms of Smart Catering, we were deeply engaged in the Chinese food industry, and officially launched services for the operation of three comprehensive solutions for Chinese food, namely comprehensive solutions for public domain, private domain and costs. Through the “three-store integration”, we helped catering enterprises “increase revenue and reduce expenditure” and served well-known Chinese food brands, including Bi Feng Tang (避風塘), Yuku (魚酷), Heji (和記), Chef Queen (小廚娘) and Zhi Wei Guan (知味觀). As of June 30, 2022, 43% of our customers are among the top 100 catering enterprises; revenue from high-quality customers who purchased three or more products or services accounted for 61%. In the Smart Hotel and Tourism, our partner hotels cover the whole country (in East China, South China, Southwest China, Hainan and North China), including more than 1,500 international and domestic high-end brand hotel groups and their single stores. In the first half of 2022, Weimob's Smart Hotel and Tourism assisted the merchants to grow against the trend, achieving a year-on-year increase of 22% in the second quarter, and its monthly GMV hit a new record high in June 2022, reaching a year-on-year growth rate of 52%, and month-on-month growth rate of 112%.

Weimob WeCom Assistant is a full-chain private domain growth solution developed by us based on WeCom. With the four core capabilities, namely full-domain customer acquisition, private domain retention, conversion and re-purchase, and data analysis, Weimob WeCom Assistant enables the considerate private domain operation by enterprises and promotes the efficient conversion of customers. In view of the situation of the consumer market after the outbreak of the Covid-19 pandemic, Weimob WeCom Assistant also focused on three major private domain operation strategies, namely accumulation, startup and retention, to help merchants quickly recover their operation capabilities and achieve full-domain growth online and offline after the outbreak of the Covid-19 pandemic. For the six months ended June 30, 2022, our revenue from WeCom Assistant increased year-on-year by over 140%, and the monthly compound growth rate was nearly 30%. The number of communities and external contacts of the merchants it serves maintained rapid growth. It has now covered millions of consumers in the community, and has obvious advantages in industries such as clothing, home furnishing, beauty and personal care and fast-moving consumer goods.

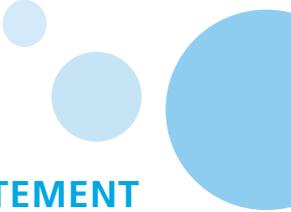
In addition, “Xiaoke (銷氦)” of intelligent CRM invested by us had a total of more than 400,000 paid accounts and served more than 30,000 enterprises through SaaS-based products and capabilities including enterprise data services, tools integrating telephone and network to reach customers, and digital sales process management.

Merchant Solutions:

Our Merchant Solutions serve the existing and potential merchants of our Subscription Solutions and provide merchants with integrated solutions that combine traffic, tool and operation, as well as a one-stop closed-loop operation covering user identification, demand matching, creativity and photography, targeted placement, data analysis and post-SaaS link conversion.

In the first half of 2022, under the background of repeated Covid-19 pandemic in many places across the country, enterprises accelerated their shift to digital marketing, so that Weimob's full-chain marketing business maintained steady development. In order to help more brands to deepen their digital marketing, Weimob adopted strategies such as the deep cultivation of vertical industries, channel sinking and strengthening of local services, along with the expansion of the national market, to further help regional companies seize opportunities for marketing transformation.

In the first half of 2022, the gross billing from targeted marketing for merchants to acquire traffic was RMB4,208 million. The revenue from Merchant Solutions was RMB319 million, representing a decrease of 22.3% year-on-year. In the first half of 2022, we provided services to 26,770 paying merchants and the ARPU decreased by 20.2% to RMB11,899.



CHAIRMAN'S STATEMENT

The Company continued to improve its TSO full-chain marketing service capabilities. By strengthening its cooperation with leading traffic channels, Weimob continued to deepen the cooperation with Tencent Ads, such as Souyisou (搜一搜) and placing advertisements on video accounts. We also strengthened the development of Xiaohongshu, Douyin, Kuaishou, etc., increased the synergy with its SaaS products, and continuously innovated the marketing mix links to penetrate the private domain service capabilities into all industries. At present, TSO full-chain marketing strategies have covered many industries such as fast-moving consumer goods, e-commerce, catering, wedding dresses and home furnishing, which can achieve precise marketing and drainage. Combined with Weimob's SaaS products and other capacities upgrade, these strategies can access to the full-chain closed-loop and provide enterprises with full-chain marketing business growth. At present, there are more than 50 full-chain operation KA merchants.

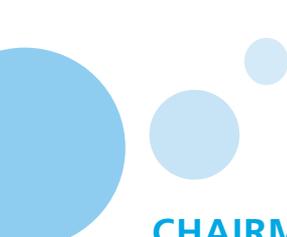
In addition, the Group has extended its full-chain marketing service capabilities to the overseas market. In order to help more domestic companies go overseas, the Group has cooperated with foreign mainstream media such as Google, Facebook and Tik Tok, so as to help Chinese companies leverage the advantages of overseas high-quality traffic. In addition, with its own SaaS core technology and private domain operation capability, the Group provided the full-chain marketing for enterprises going overseas, efficiently empowering Chinese companies to dig into the overseas market.

In the short video field, the Group continued to increase its short video and live services. In terms of short video creation and shooting, following the launch of the Shanghai Short Video Live Center Phase I and Phase II project, the Group established a short video live base in Changsha to further promote the innovative and diversified development of the short video live industry and the number of short videos delivered each year was more than 100,000.

BUSINESS OUTLOOK

In the second half of 2022, we will focus on the following major directions:

1. Putting more focus on moving up-market, and increasing the value per customer. We will continuously strengthen our strategic investment in moving up-market, maintain our leading position in the fashion retail industry, further increase the proportion of revenue from moving up-market, and continuously increase our unit value.
2. Improving the product strength of WOS, and creating new engines for business growth. Based on seven core products, namely, transaction, CRM, WeCom, CDP, traffic, shopping guide and statistics, we will outsource more in-depth personalized development to third parties, and build an ecosystem through the Weimob Cloud market. We will provide more solution portfolios for cross-selling, so as to meet the needs of merchants to the maximum extent.
3. Cultivating of ecological capabilities intensively to expand the scale of customer penetration. We will further deepen the ecological value, introduce more third-party developers through Weimob Cloud Platform, WOS, the new commercial operating system, etc., to strengthen the in-depth characterized development, assist customers in enhancing the value, and achieve the two-way guarantee in respect of customer value and ecosystem partners.
4. Advancing interconnections and increasing investment in private domain. We will help merchants save the costs for customers acquisition, customer communication and customer management, through three channels in the private domain, namely "WeCom Assistant, OneCRM and CDP+MA", so as to provide comprehensive and integrated private domain product solutions for merchants.



CHAIRMAN'S STATEMENT

5. Empowering the enterprises through full-domain layout. In 2022, we will continue to expand our business footprint, deepen our business arrangements for business cloud, marketing cloud and sales cloud, and enable enterprises to achieve new growth through our products and technologies.
6. Deepening TSO full-chain operation and expanding service scenarios. We will support the smart growth of customers through private domain talent training plans, process standardization and large-scale replication, Kylin (麒麟) system for operational efficiency improvement, deepening of industry practice, creation of full-domain growth model and expansion of the scope of the private domain, etc.
7. Expanding differentiated advantages with global layout. Leveraging the Group's massive customer data and experience, we will empower our customers and complement the ecology of cross-border overseas products rapidly, helping Chinese enterprises go global.

Only hardships would reveal one's perseverance and courage; only polishing would make a jade shine. Although the economic recovery at home and abroad is currently facing many risks and challenges, the epidemic has not changed the fundamentals of China's long-term economic improvement, nor has it changed the general trend of high-quality development of China's SaaS and cloud-based industry. SaaS information service technology deeply integrates with the industry, and the digital transformation of traditional enterprises has become inevitable. We will diligently take its responsibilities and insist on innovation and make progress in China's SaaS industry. In the process of growth, we continue to strengthen technical strength, continuously improve product innovation capabilities, and improve practicability and service quality of our products without keeping a slash hand. We will never forget why we started and accomplish our mission with persistence to help customers succeed and create greater value for shareholders and investors.

Mr. Sun Taoyong

Chairman and Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

	Six months ended June 30,	
	2022 (RMB'000) (Unaudited)	2021 (RMB'000) (Unaudited and Restated)
Continuing operations		
Revenue	899,612	959,372
Cost of sales	(301,936)	(199,361)
Gross profit	597,676	760,011
Selling and distribution expenses	(782,870)	(780,916)
General and administrative expenses	(543,695)	(310,376)
Net impairment losses on financial assets	(60,266)	(21,324)
Other income	38,421	63,455
Other gains, net	120,179	125,473
Operating loss	(630,555)	(163,677)
Finance costs	(79,550)	(27,995)
Finance income	9,090	7,404
Share of net loss of associates accounted for using the equity method	(2,762)	(84)
Change in fair value of convertible bonds	23,347	(385,406)
Loss before income tax	(680,430)	(569,758)
Income tax credit	21,669	9,520
Loss from continuing operations	(658,761)	(560,238)
Discontinued operations		
Loss from discontinued operations	(852)	(24,092)
Loss for the period	(659,613)	(584,330)
Loss attributable to:		
– Equity holders of the Company	(608,548)	(557,713)
– Non-controlling interests	(51,065)	(26,617)
	(659,613)	(584,330)

MANAGEMENT DISCUSSION AND ANALYSIS

Key Operating Data

The following table sets forth our key operating data for the six months ended/as of June 30, 2022 and 2021.

	Six months ended/as of June 30,	
	2022	2021
Subscription Solutions		
Addition in number of paying merchants	13,205	14,776
Number of paying merchants	103,616	101,867
Attrition rate ⁽¹⁾	12.1%	11.1%
ARPU ⁽²⁾ (RMB)	5,608	5,395
Merchant Solutions		
Number of paying merchants	26,770	27,484
Revenue (RMB in millions)	318.5	409.8
ARPU (RMB)	11,899	14,909
Gross billing (RMB in millions)	4,208.1	5,640.4

Notes:

- (1) Refers to the number of paying merchants not retained over a period divided by the number of paying merchants as of the end of the previous period.
- (2) Refers to the average revenue per paying merchant, which equals revenue of Subscription Solutions for the period divided by the number of paying merchants as of the end of such period.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Ratios

	Six months ended June 30,	
	2022 Per financial statements %	2021 Per financial statements %
Total revenue growth	(6.2)	107.6
Gross margin ⁽¹⁾	66.4	79.2
Adjusted EBITDA margin ⁽²⁾	(42.8)	1.6
Net margin ⁽³⁾	(73.2)	(58.4)
Adjusted net margin ⁽⁴⁾	(63.1)	(9.9)

Notes:

- (1) Equals gross profit divided by revenue for the period and multiplied by 100%.
- (2) Equals adjusted EBITDA divided by revenue for the period and multiplied by 100%. For the reconciliation from operating loss to EBITDA and adjusted EBITDA, see " – Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net (Loss)/Profit" below.
- (3) Equals net (loss)/profit divided by revenue for the period and multiplied by 100%.
- (4) Equals adjusted net (loss)/profit divided by revenue for the period and multiplied by 100%. For the reconciliation from net (loss)/profit to adjusted net (loss)/profit, see " – Non-HKFRS Measures: Adjusted EBITDA and Adjusted Net (Loss)/Profit" below.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

In 2022, the Company's management determined to terminate Digital Media business considering the business operation adjustment for simplifying business and focusing on key business. Therefore, no revenue was recorded for the six months ended June 30, 2022 due to the discontinued operation of Digital Media.

Our total revenue decreased by 6.2% from RMB959.4 million in the six months ended June 30, 2021 to RMB899.6 million in the six months ended June 30, 2022, primarily due to the decrease in revenue from Merchant Solutions. The following table sets forth a breakdown of our revenue by business segment for the periods indicated.

	Six months ended June 30,			
	2022 (Unaudited)		2021 (Unaudited)	
	<i>(RMB in millions, except percentages)</i>			
	Revenue	%	Revenue	%
Revenue				
– Subscription Solutions	581.1	64.6%	549.6	57.3%
– Merchant Solutions	318.5	35.4%	409.8	42.7%
Total	899.6	100%	959.4	100.0%

Subscription Solutions

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

Revenue from Subscription Solutions increased by 5.7% from RMB549.6 million in the six months ended June 30, 2021 to RMB581.1 million in the six months ended June 30, 2022, primarily due to the increased number of paying merchants from 101,867 in the six months ended June 30, 2021 to 103,616 in the six months ended June 30, 2022, and the ARPU increased from RMB5,395 in the six months ended June 30, 2021 to RMB5,608 in the six months ended June 30, 2022.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Merchant Solutions

	Six months ended June 30,		Year-on-year change
	2022 (Unaudited)	2021 (Unaudited)	
	<i>(RMB in millions, except percentages)</i>		
Merchant Solutions			
Gross billing	4,208.1	5,640.4	(25.4%)
Revenue	318.5	409.8	(22.3%)

Merchant Solutions mainly comprise value-added services offered to merchants as part of the integral solutions to meet merchants' online commerce and marketing needs, including mainly targeted marketing services that enable merchants to acquire online customer traffic in various top online advertising platforms, as well as TSO.

Gross billing from our Merchant Solutions decreased from RMB5.64 billion in the six months ended June 30, 2021 to RMB4.21 billion in the six months ended June 30, 2022, primarily due to decrease in average spend per advertiser from RMB205,223 in the six months ended June 30, 2021 to RMB157,193 in the six months ended June 30, 2022. Due to the economic headwind, our customers profile of the Merchant Solutions cut or controlled their advertising budget, therefore, average spend per advertiser dropped significantly.

Revenue from Merchant Solutions represents net rebate earned from advertising platforms by providing services to enable merchants to acquire online customer traffic, commission from targeted marketing operation service as well as fees and commission from TSO service. It decreased by 22.3% from RMB409.8 million in the six months ended June 30, 2021 to RMB318.5 million in the six months ended June 30, 2022, as a result of the change in gross billing.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

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

	Six months ended June 30,			
	2022 (Unaudited)		2021 (Unaudited)	
	<i>(RMB in millions, except percentages)</i>			
Cost of sales				
Advertising traffic cost	30.6	10.1%	5.5	2.8%
Staff costs	49.9	16.5%	25.7	12.9%
Broadband and hardware costs	26.1	8.7%	46.2	23.2%
Operation services costs	79.4	26.3%	54.1	27.1%
Amortization of intangible assets	106.5	35.3%	64.8	32.5%
Taxes and surcharges	8.7	2.9%	2.4	1.2%
Depreciation and amortization	0.7	0.2%	0.6	0.3%
Total	301.9	100.0%	199.3	100.0%

Our cost of sales increased by 51.5% from RMB199.3 million in the six months ended June 30, 2021 to RMB301.9 million in the six months ended June 30, 2022, primarily because (i) our staff costs increased from RMB25.7 million in the six months ended June 30, 2021 to RMB49.9 million in the six months ended June 30, 2022, (ii) our operation services costs increased from RMB54.1 million in the six months ended June 30, 2021 to RMB79.4 million in the six months ended June 30, 2022, both in line with the strong growth in the operating service to our key accounts merchants, (iii) our amortization of intangible assets increased from RMB64.8 million in the six months ended June 30, 2021 to RMB106.5 million in the six months ended June 30, 2022 as a result of sustained investment in R&D to build up WOS and upgrade SaaS products and functionalities; and (iv) our advertising traffic cost increased from RMB5.5 million in the six months ended June 30, 2021 to RMB30.6 million in the six months ended June 30, 2022, in line with growing budget from key account merchants to obtain traffic as part of their TSO services.

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

	Six months ended June 30,			
	2022 (Unaudited)		2021 (Unaudited)	
	<i>(RMB in millions, except percentages)</i>			
Cost of sales				
– Subscription Solutions	227.9	75.5%	143.0	71.7%
– Merchant Solutions	74.0	24.5%	56.3	28.3%
Total	301.9	100.0%	199.3	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS

Subscription Solutions

Cost of sales of our Subscription Solutions increased by 59.4% from RMB143.0 million in the six months ended June 30, 2021 to RMB227.9 million in the six months ended June 30, 2022, primarily due to (i) an increase of RMB26.8 million in staff cost; (ii) an increase of RMB32.5 million in our contract operation service costs, both in line with the revenue growth relating to operating services to key accounts merchants; and (iii) an increase of RMB41.7 million in our amortization of intangible assets relating to the R&D investment.

Merchant Solutions

The cost of sales of our Merchant Solutions increased by 31.3% from RMB56.3 million in the six months ended June 30, 2021 to RMB74.0 million in the six months ended June 30, 2022, primarily due to the increase in TSO traffic costs which was in line with the growth of revenue from TSO.

Gross Profit and Gross Margin

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

	Six months ended June 30,					
	2022			2021		
	Gross profit	%	Gross Margin	Gross profit	%	Gross margin
	(Unaudited)			(Unaudited)		
	<i>(RMB in millions, except percentages)</i>					
– Subscription Solutions	353.2	59.1%	60.8%	406.6	53.5%	74.0%
– Merchant Solutions	244.5	40.9%	76.8%	353.4	46.5%	86.2%
Total	597.7	100.0%	66.4%	760.0	100.0%	79.2%

Our overall gross profit decreased by 21.4% from RMB760.0 million in the six months ended June 30, 2021 to RMB597.7 million in the six months ended June 30, 2022.

Our overall gross margin decreased from 79.2% in the six months ended June 30, 2021 to 66.4% in the six months ended June 30, 2022.

The gross margin of our Subscription Solutions decreased from 74.0% in the six months ended June 30, 2021 to 60.8% in the six months ended June 30, 2022, primarily due to (i) relatively low gross margin of Heading ERP business; (ii) amortization of intangible asset arising from continuing R&D investment in the past three years; and (iii) increase in staff cost and contract service cost due to growing demand from key account merchants for private traffic operation services.

The gross margin of our Merchant Solutions decreased from 86.2% in the six months ended June 30, 2021 to 76.8% in the six months ended June 30, 2022, primarily due to the change in revenue mix as, in addition to targeted marketing net rebate revenue which has a high gross margin, targeted marketing operation service and TSO service revenue have relatively lower gross margin.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

Our selling and distribution expenses increased by 0.3% from RMB780.9 million in the six months ended June 30, 2021 to RMB782.9 million in the six months ended June 30, 2022, primarily due to the following items: (i) increase in staff costs for our sales and marketing personnel from RMB436.9 million in the six months ended June 30, 2021 to RMB528.5 million in the six months ended June 30, 2022 due to (a) RMB10.0 million increase in staff severance compensation; and (b) RMB62.0 million increase due to annualization effect of our increased sales and marketing staff in the second half of 2021; (ii) decrease in marketing and promotion expenses from RMB166.2 million in the six months ended June 30, 2021 to RMB89.5 million in the six months ended June 30, 2022 as a result of cost control and decreased budget on brand and targeted marketing; and (iii) decreased in contract acquisition costs from RMB127.0 million in the six months ended June 30, 2021 to RMB98.7 million in the six months ended June 30, 2022, which was in line with the changing sales mix of subscription solution business, in which proportion of revenue from direct sales increased as compared with that from channels.

General and Administrative Expenses

Our general and administrative expenses increased by 75.2% from RMB310.4 million in the six months ended June 30, 2021 to RMB543.7 million in the six months ended June 30, 2022, primarily due to (i) the increase in staff cost from RMB253.9 million in the six months ended June 30, 2021 to RMB445.1 million in the six months ended June 30, 2022 in which (a) RMB118.7 million increase was due to annualization impact of our increased R&D headcount in the second half of 2021; (b) RMB37.5 million increase due to annualization effect of our increased administrative headcount in the second half of 2021; and (c) RMB25.3 million increase in staff severance compensation, (ii) the increase in rental and property service expenses, and (iii) the increase in depreciation and amortization, both in line with the increase in staff cost.

Research and Development Expenditure

	Six months ended/as of June 30,	
	2022	2021
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(RMB in millions)</i>	
Research and Development Expenditure		
Research and development expenditure capitalized in development cost & intangible assets	173.3	125.9
Research and development expenditure in general & administrative expenses	296.1	178.1
Total research and development expenditure	469.4	304.0

Research and development expenditure increased by 54.4% from RMB304.0 million in the six months ended June 30, 2021 to RMB469.4 million in the six months ended June 30, 2022 due to annualization effect of our increased R&D staff in the second half of 2021, as R&D headcount increased from 1,284 at the beginning of 2021 to 1,971 by the end of 2021, mainly due to the building up and upgrade of Weimob Cloud, our PaaS solution for the purpose of building up our ecosystem. With launch of WOS in the first half of 2022, we reduced the R&D headcount to 1,867 as part of the cost optimization efforts.

MANAGEMENT DISCUSSION AND ANALYSIS

Net Impairment Losses on Financial Assets

We had net impairment losses on financial assets of RMB60.3 million in the six months ended June 30, 2022, primarily as a result of the general provision for credit loss from our trade receivables, notes receivables, other receivables and financial assets measured at fair value through other comprehensive income.

Other Income

Our other income decreased from RMB63.5 million in the six months ended June 30, 2021 to RMB38.4 million in the six months ended June 30, 2022, primarily due to a decrease of RMB17.1 million in input VAT super deduction and a decrease of RMB6.5 million in government grants provided to us in the form of VAT refunds.

Other Gains, net

Our other net gains decreased from RMB125.5 million in the six months ended June 30, 2021 to RMB120.2 million in the six months ended June 30, 2022, mainly due to a decrease of RMB81.7 million in favourable fair value change of our investments netting off an increase of RMB78.7 million in foreign exchange gain.

Operating Loss

As a result of the foregoing, our operating loss increased from RMB163.7 million in the six months ended June 30, 2021 to RMB630.6 million in the six months ended June 30, 2022.

Finance Costs

Our finance costs increased from RMB28.0 million in the six months ended June 30, 2021 to RMB79.6 million in the six months ended June 30, 2022, primarily due to (i) an increase of RMB11.5 million in interest expenses from our increased bank borrowings for business expansion; and (ii) an increase of RMB37.7 million in the amortization of interest expenses on convertible bonds under effective interest method.

Finance Income

Our finance income increased from RMB7.4 million in the six months ended June 30, 2021 to RMB9.1 million in the six months ended June 30, 2022, primarily due to an increased interest income on our bank deposits as a result of an increase in the average balance of our bank deposits in 2022.

Share of Net Loss of Associates Accounted for Using the Equity Method

We recorded share of net loss of associates accounted for using the equity method of RMB2.8 million as of June 30, 2022, which represented our share of loss from our contractual funds.

Change in Fair Value of Convertible Bonds

We recorded a gain of RMB23.3 million in change in fair value of convertible bonds as of June 30, 2022 due to the favorable changes in fair value of the convertible bonds.

Income Tax Credit

We recorded income tax credit of RMB21.7 million in the six months ended June 30, 2022, primarily due to the recognition of deferred income tax assets resulting from increased impairment losses on financial assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the Period

As a result of the foregoing, we recorded a loss of RMB658.8 million from continuing operations in the six months ended June 30, 2022 while we recorded a loss of RMB560.2 million from continuing operations in the six months ended June 30, 2021.

Non-HKFRS Measures: Adjusted Revenue, Adjusted EBITDA and Adjusted Net Loss

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

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

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

	For the six months ended June 30, 2022 (unaudited)						
	As reported	Share-based compensation	Adjustments (RMB in millions, unless specified)				Tax effects
Financing, listing and other one-off expenses ⁽¹⁾			Change in fair value of convertible bonds	Amortisation of intangible assets ⁽²⁾			
Gross profit	597.7					5.0	602.7
Gross margin	66.4%						67.0%
Subscription Solutions	60.8%						61.6%
Merchant Solutions	76.8%						76.8%
Operating profit/(loss)	(630.6)	68.9				22.0	(539.7)
Operating margin	(70.1%)						(60.0%)
EBITDA	(453.6)	68.9					(384.7)
EBITDA margin	(50.4%)						(42.8%)
Net loss	(658.8)	68.9	45.5	(23.3)	22.0	(21.7)	(567.4)
Net margin	(73.2%)						(63.1%)
Net loss attributable to equity holders of the Company	(607.7)	68.9	45.5	(23.3)	12.6	(17.5)	(521.5)
Net margin attributable to equity holders of the Company	(67.6%)						(58.0%)

MANAGEMENT DISCUSSION AND ANALYSIS

	For the six months ended June 30, 2021 (unaudited)						
	Adjustments (RMB in millions, unless specified)						
	As reported	Share-based compensation	Financing, Listing and other one-off expenses ⁽¹⁾	Change in fair value of convertible bonds	Amortisation of intangible assets	Tax effects	Non-GAAP
Gross profit	760.0				7.2		767.2
Gross margin	79.2%						80.0%
Subscription Solutions	74.0%						75.3%
Merchant Solutions	86.2%						86.2%
Operating profit/(loss)	(163.7)	70.9			18.2		(74.6)
Operating margin	(17.1%)						(7.8%)
EBITDA	(55.1)	70.9					15.8
EBITDA margin	(5.7%)						1.6%
Net loss	(560.2)	70.9	7.7	385.4	18.2	(16.7)	(94.7)
Net margin	(58.4%)						(9.9%)
Net loss attributable to equity holders of the Company	(533.6)	70.9	7.7	385.4	10.2	(7.7)	(67.1)
Net margin attributable to equity holders of the Company	(55.6%)						(7.0%)

Notes:

- (1) Refers to one-off expenses related to issuance of convertible bonds in 2020 and 2021.
- (2) Refers to amortisation resulting from acquisition. This includes amortisation of intangible assets from cost of sales RMB5.0 million, from selling and distribution expenses of RMB11.6 million, from general and administrative expenses of RMB5.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resources

We fund our cash requirements principally from proceeds from our business operations, bank borrowings, other debt financing and shareholder equity contribution. As of June 30, 2022, we had cash and bank balances of RMB3,682 million, including RMB283 million structured deposit and RMB519 million restricted cash, with abundant cash reserves and a healthy financial structure.

The following table sets forth our gearing ratios as of June 30, 2022 and June 30, 2021, respectively.

	As of six months ended June 30,	
	2022 (unaudited) (RMB'000)	2021 (unaudited)
Net debt/(cash) ⁽¹⁾	692,503	(175,487)
Total equity	3,449,058	2,997,594
Total capital	4,141,561	N/A
Net debt to equity ratio	17%	N/A

Note:

(1) Net cash is calculated as cash and cash equivalents and restricted cash less total borrowings and put option liability.

As of June 30, 2022, we had bank loan of approximately RMB1,563.0 million. The table below sets forth our main short-term bank loans and letter of credit:

Bank	Loan Balance (RMB in millions)	Loan Period	Interest Rate (per annum unless otherwise stated)
Short-term bank loans			
SPD Silicon Valley Bank	180.00	6 months	4.40%
Bank of Shanghai (Puxi Branch)	250.00	1 year	4.50%
Bank of Shanghai (Puxi Branch)	300.00	1 year	3.51%
The HongKong and Shanghai Banking Corporation Limited	63.00	3 months	4.30%
Shanghai Rural Commercial Bank (Songnan Branch)	100.00	2 months	4.58%
China CITIC Bank Waitan branch	150.00	1 year	4.35%
China CITIC Bank Waitan branch	50.00	11 months	4.35%
China Zheshang Bank (Shanghai Branch)	50.00	6 months	4.35%
Bank of Communications (Shanghai Baoshan Branch)	100.00	6 months	3.85%
Bank of China (Gaojing Branch)	150.00	1 year	2.85%
Bank of China (Gaojing Branch)	50.00	6 months	3.70%
China Everbright Bank Shanghai North Bund Branch	70.00	6 months	4.00%
Letter of Credit			
Bank of Ningbo (Jinqiao Branch)	50.00	1 year	3.45%

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditures

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

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

	Six months ended June 30,	
	2022	2021
	<i>(RMB in millions)</i>	
Fixed assets	7.1	22.7
Intangible assets	173.7	126.1
Right-of-use assets-land use rights	324.5	–
Total	505.3	148.8

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

The Company held a significant investment, with a value of over 5% of the Company's total assets as at June 30, 2022, in Xiaoke. Xiaoke was engaged in the principal activities of developing and selling smart Customer Relationship Management ("CRM") products. As at June 30, 2022, the Group owned 34.9% equity interests in Xiaoke, including 31.9% redeemable preferred shares and 3% common shares. The investment cost in Xiaoke amounted to RMB302,299,000. As at June 30, 2022, the Directors assessed the fair value of this investment to be approximately RMB492.9 million by using the equity allocation method, representing approximately 5.27% of the total assets of the Group as at June 30, 2022. No fair value changed during the six months ended June 30, 2022. The Group did not receive any dividend from Xiaoke during the first half of 2022. Through the launch of B2C industry solutions, focused development of WeCom private domain capacity, enriching the functionalities of the full chain of L2C, and the provision of access to underlying data interfaces, we will continuously strengthen our technical, product and service capabilities, and facilitate enterprises with new growth drivers by digital and intelligent technology.

Save as disclosed in this interim report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the six months ended June 30, 2022. There were no future plans for material investments or additions of capital assets authorised by the Board as at the date of this interim report.

Pledge of Assets

As of June 30, 2022, we pledged our bank deposits amounted to USD77.4 million (equivalent to RMB519.5 million) for RMB loan to be used domestically.



MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Exchange Risk Management

We mainly carry out our operations in the PRC with most transactions settled in Renminbi, and we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and the Hong Kong dollar. Therefore, foreign exchange risk primarily arose from our recognized assets and liabilities when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas business partners. In the six months ended June 30, 2022, we did not adopt any long-term contracts, currency borrowings or other means to hedge our foreign currency exposure.

Contingent Liabilities

As of June 30, 2022, we did not have any material contingent liabilities.

Employees

As of June 30, 2022, we had 6,907 full-time employees, the majority of whom are based in Shanghai, China. Within the total headcount, 2,074 are sales and marketing staff and 1,867 are R&D staff.

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

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

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

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



OTHER INFORMATION

CORPORATE GOVERNANCE

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its Shareholders and enhance its value and accountability. The Company has adopted the principles and code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

During the six months ended June 30, 2022, the Company has complied with all the applicable code provisions under the Corporate Governance Code with the exception for the deviation from code provision C.2.1 of the Corporate Governance Code.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all Directors and each of the Directors has confirmed that he has complied with the required standards as set out in the Model Code during the six months ended June 30, 2022.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended June 30, 2022.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the accounting policies adopted by the Company with the management. They also discussed risk management, internal controls of the Group and financial reporting matters, including having reviewed and agreed to the unaudited interim condensed consolidated financial statements for the period under review.



OTHER INFORMATION

CHANGES TO DIRECTORS' INFORMATION

The Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended June 30, 2022, the Company has purchased a total of 14,783,000 Shares on the Stock Exchange with an aggregate amount of HK\$90,451,712, pursuant to the share buy-back mandate approved by our Shareholders at the annual general meeting held on June 29, 2021. The bought-back Shares were subsequently cancelled. Details of Shares purchased during the six months ended June 30, 2022 are set out as follows:

Month of repurchases	Number of Shares purchased on the Stock Exchange	Price paid per Share		Aggregate consideration paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2022	9,010,000	7.37	5.63	60,474,616
February 2022	5,773,000	5.42	4.94	29,977,096

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended June 30, 2022.

ISSUE OF THE 2020 CONVERTIBLE BONDS

On May 15, 2020, Weimob Investment Limited (the “**Bond Issuer**”), a wholly-owned subsidiary of the Company, completed the issue of convertible bonds in an aggregate principal amount of US\$150,000,000 with the guarantee provided by the Company (the “**2020 Convertible Bonds**”). The last closing Share price as quoted on the Stock Exchange on the trading day on which the subscription agreement was signed (i.e. May 6, 2020) was HK\$5.95 per Share, and the initial conversion price is HK\$6.72 per Share. Based on such initial conversion price and assuming full conversion of the 2020 Convertible Bonds at the initial conversion price, the 2020 Convertible Bonds will be convertible into a maximum of 173,035,715 new Shares. The gross proceeds from the issue of the 2020 Convertible Bonds were US\$150.0 million. The net proceeds from the issue of the 2020 Convertible Bonds were approximately US\$146.6 million. For more information on the use of such net proceeds, see “Use of Proceeds from Issue of 2020 Convertible Bonds, Placing and Issue of the 2021 Convertible Bonds” below. Based on such net proceeds and assuming the full conversion of the 2020 Convertible Bonds, the net price per new Share will be approximately HK\$6.57.

The 2020 Convertible Bonds have been offered and sold to no less than six independent placees (who are independent individual, corporate and/or institutional investors). The 2020 Convertible Bonds were listed on the Stock Exchange on May 18, 2020.

On July 6, 2021, the Bond Issuer and the Company entered into a dealer manager agreement in connection with the proposed conversion offer pursuant to which the Bond Issuer and the Company have appointed Credit Suisse (Hong Kong) Limited as the Bond Issuer’s and the Company’s dealer manager to, amongst others, assist the Bond Issuer and the Company in collecting the acceptances for conversion pursuant to the terms of the proposed conversion offer from the 2020 Convertible Bond holders. The Bond Issuer and the Company allowed the 2020 Convertible Bonds holders to submit conversion notices to convert their holdings of the 2020 Convertible Bonds into Shares at any time between 4:30 p.m. (Hong Kong time) on July 6, 2021 and 11:00 p.m. (Hong Kong time) on July 9, 2021 (the “**Conversion Offer Period**”) in accordance with the terms and conditions of the 2020 Convertible Bonds. As at the end of the Conversion Offer Period, the Bond Issuer and the Company had received conversion notices in respect of the 2020 Convertible Bonds in an aggregate principal amount of US\$117,900,000, which had been converted into 136,006,063 conversion Shares (the “**Conversion Shares**”), based on the conversion price of HK\$6.72. Out of the conversion notices in respect of the 2020 Convertible Bonds received, holders of an aggregate principal amount of US\$116,700,000 are entitled to the early cash incentive in the sum of US\$6,301,800 and an aggregate principal amount of US\$1,200,000 are entitled to the cash incentive in the sum of US\$48,000. The Conversion Shares have been delivered to the 2020 Convertible Bonds holders in accordance with the terms and conditions of the 2020 Convertible Bonds on July 16, 2021 and the Bond Issuer made the payment of the early cash incentive and the cash incentive on the same date. Upon completion of the proposed conversion offer, US\$117,900,000 in aggregate principal amount of the 2020 Convertible Bonds have been cancelled, and the remaining outstanding principal amount of the 2020 Convertible Bonds amounted to approximately US\$17,700,000. Save as disclosed in this interim report, there had not been any exercise of the 2020 Convertible Bonds during the six months ended June 30, 2022, and no redemption right had been exercised by the bondholders or the Company during the same period.

OTHER INFORMATION

As of June 30, 2022, the outstanding 2020 Convertible Bonds, with US\$17,700,000 principal amount, are convertible into a maximum of 20,418,214 Shares at the initial conversion price of HK\$6.72 per Share. Assuming the outstanding 2020 Convertible Bonds were fully exercised at the initial conversion price of HK\$6.72 per Share on June 30, 2022, the shareholdings of the Company immediately before and after the full exercise of the outstanding 2020 Convertible Bonds are set out below for illustration purposes:

Shareholders	Shareholding immediately before the full exercise of the outstanding 2020 Convertible Bonds		Assuming the outstanding 2020 Convertible Bonds are fully converted into new Shares at the initial conversion price of HK\$6.72 each	
	No. of Shares	% of issued ordinary share capital of the Company	No. of Shares	% of issued ordinary share capital of the Company
Shares held by Substantial Shareholders Group⁽¹⁾				
Yomi.sun Holding Limited ⁽²⁾	321,145,000	12.7%	321,145,000	12.6%
Jeff.Fang Holding Limited ⁽³⁾	18,220,000	0.7%	18,220,000	0.7%
Alter.You Holding Limited ⁽⁴⁾	67,015,000	2.6%	67,015,000	2.6%
Sub-total:	406,380,000	16.0%	406,380,000	15.9%
Shares held by public Shareholders				
Bondholders of the 2020 Convertible Bonds	152,617,490	6.0%	173,035,704	6.8%
Other public Shareholders	1,974,680,000	78.0%	1,974,680,000	77.3%
Sub-total:	2,127,297,490	84.0%	2,147,715,704	84.1%
Total	2,533,677,490	100.0%	2,554,095,704	100.0%

Notes:

- (1) Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun are parties acting in concert (having the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers) and form the Substantial Shareholders Group. As such, each of Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun are deemed to be interested in the Shares held by other members of the Substantial Shareholders Group. As disclosed in the announcement of the Company dated May 7, 2020 in relation to the proposed issue of the 2020 Convertible Bonds, Credit Suisse (Hong Kong) Limited (the “**Borrower**”) as borrower entered into stock borrowing and lending agreements with each of Yomi.sun Holding Limited, Alter.You Holding Limited and Jeff. Fang Holding Limited, as Shareholders of the Guarantor as lenders (collectively, the “**Lenders**”), each dated May 6, 2020 (collectively, the “**Stock Borrowing and Lending Agreements**”), to allow the Lenders to provide stock lending to the Borrower in respect of 115,000,000 Shares (the “**Borrowed Shares**”) upon and subject to the terms and conditions stated in the Stock Borrowing and Lending Agreements. According to the Stock Borrowing and Lending Agreements, the Lenders are entitled to terminate a loan and to call for the delivery of all or any Borrowed Shares if the 2020 Convertible Bonds have been converted in full. The Borrower is also entitled at any time to terminate a loan or any part thereof under the Stock Borrowing and Lending Agreements by giving not less than one business day’s advance notice to the Lenders.
- (2) Yomi.sun Holding Limited is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. Sun Taoyong as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. Sun Taoyong and his family members are the beneficiaries of the Youmi Trust. Mr. Sun Taoyong is also a director of the Yomi.sun Holding Limited. As such, each of Mr. Sun Taoyong, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Yomi.sun Holding Limited.
- (3) Jeff.Fang Holding Limited is wholly-owned by Mr. Fang Tongshu who is an executive Director.
- (4) Alter.You Holding Limited is wholly-owned by Fount Investment Limited. Fount Investment Limited is beneficially owned by the Fount Trust, which was established by Mr. You Fengchun as the settlor, appointor and investment manager. Infiniti Trust (Asia) Limited is the trustee of the Fount Trust, and Mr. You Fengchun and his family members are the beneficiaries of the Fount Trust. Mr. You Fengchun is also a director of Alter.You Holding Limited. As such, each of Mr. You Fengchun, Infiniti Trust (Asia) Limited and Fount Investment Limited is deemed to be interested in the Shares held by Alter.You Holding Limited. Mr. You Fengchun is an executive Director.

By issue of the 2020 Convertible Bonds, the Company wishes to further implement its business plans, including: (i) to get prepared to carry out mergers and acquisitions at an appropriate time in the future; (ii) to continuously improve and deepen the SaaS technology, thus maintaining its market leading position; and (iii) to comprehensively optimize and enhance its targeted marketing system. The Directors consider the issue of the 2020 Convertible Bonds is an appropriate means of raising additional capital since (i) it can provide the Company with additional funds at lower funding cost for the said purposes; (ii) it will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (iii) in the event that the 2020 Convertible Bonds are converted into the new shares, the Company can improve its capital base, benefiting the long-term development of the Company.

Based on the cash and cash equivalents as at June 30, 2022 and the cash flow from operating activities of the Company, the Company has the ability to meet its redemption obligation under the 2020 Convertible Bonds.



OTHER INFORMATION

Pursuant to the terms and conditions of the 2020 Convertible Bonds, the implied rate of return of the 2020 Convertible Bonds is 3.5%.

Details of the 2020 Convertible Bonds were disclosed in the announcements of the Company dated May 7, 2020 and May 15, 2020.

ISSUE OF THE 2021 CONVERTIBLE BONDS

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

The 2021 Convertible Bonds have been offered and sold to no less than six independent places (who are independent individual, corporate and/or institutional investors). The 2021 Convertible Bonds were listed on the Stock Exchange on June 8, 2021.

In light of the continued digitalization transformation of businesses in China and given the current macroeconomic situation, the Company believes that the issue of the 2021 Convertible Bonds provides additional capital to (i) continuously improve and deepen the Company’s SaaS technology, thus maintaining its market leading position and (ii) comprehensively optimise and enhance its targeted marketing system to strengthen its leadership in smart retail. The Directors consider the issue of the 2021 Convertible Bonds is an appropriate means of raising additional capital since (i) it can provide the Company with additional funds at lower funding cost for the said purposes; (ii) it will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (iii) in the event that the 2021 Convertible Bonds are converted into new Shares, the Company can improve its capital base, benefiting the long-term development of the Company.

There had not been any exercise of the 2021 Convertible Bonds during the six months ended June 30, 2022, and no redemption right had been exercised by the 2021 Convertible Bonds holders or the Company during the six months ended June 30, 2022. Assuming the 2021 Convertible Bonds were fully exercised at the initial conversion price of HK\$21.00 per Share on June 30, 2022, the shareholdings of the Company immediately before and after the full exercise of the outstanding 2021 Convertible Bonds are set out below for illustration purposes:

OTHER INFORMATION

Shareholder	Shareholding immediately before the full exercise of the outstanding 2021 Convertible Bonds		Assuming the outstanding 2021 Convertible Bonds are fully converted into new Shares at the initial conversion price of HK\$21.00 each	
	No. of Shares	% of issued ordinary share capital of the Company	No. of Shares	% of issued ordinary share capital of the Company
Shares held by Substantial Shareholders Group⁽¹⁾				
Yomi.sun Holding Limited ⁽²⁾	321,145,000	12.7%	321,145,000	12.1%
Jeff.Fang Holding Limited ⁽³⁾	18,220,000	0.7%	18,220,000	0.7%
Alter.You Holding Limited ⁽⁴⁾	67,015,000	2.6%	67,015,000	2.5%
Sub-total:	406,380,000	16.0%	406,380,000	15.4%
Shares held by public Shareholders				
Bondholders of the 2021 Convertible Bonds	–	–	110,914,285	4.2%
Other public Shareholders	2,127,297,490	84.0%	2,127,297,490	80.4%
Sub-total:	2,127,297,490	84.0%	2,238,211,775	84.6%
Total	2,533,677,490	100.0%	2,644,591,775	100.0%

Notes:

- (1) Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun are parties acting in concert (having the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers) and form the Substantial Shareholders Group. As such, each of Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun is deemed to be interested in the Shares held by other members of the Substantial Shareholders Group.
- (2) Yomi.sun Holding Limited is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. Sun Taoyong as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. Sun Taoyong and his family members are the beneficiaries of the Youmi Trust. Mr. Sun Taoyong is also a director of the Yomi.sun Holding Limited. As such, each of Mr. Sun Taoyong, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Yomi.sun Holding Limited.
- (3) Jeff.Fang Holding Limited is wholly-owned by Mr. Fang Tongshu who is an executive Director.
- (4) Alter.You Holding Limited is wholly-owned by Fount Investment Limited. Fount Investment Limited is beneficially owned by the Fount Trust, which was established by Mr. You Fengchun as the settlor, appointor and investment manager. Infiniti Trust (Asia) Limited is the trustee of the Fount Trust, and Mr. You Fengchun and his family members are the beneficiaries of the Fount Trust. Mr. You Fengchun is also a director of Alter.You Holding Limited. As such, each of Mr. You Fengchun, Infiniti Trust (Asia) Limited and Fount Investment Limited is deemed to be interested in the Shares held by Alter.You Holding Limited. Mr. You Fengchun is an executive Director.

OTHER INFORMATION

Based on the cash and cash equivalents as at June 30, 2022 and the cash flow from operating activities of the Company, the Company has the ability to meet its redemption obligation under the 2021 Convertible Bonds.

Pursuant to the terms and conditions of the 2021 Convertible Bonds, the implied rate of return of the 2021 Convertible Bonds is 1%.

Details of the 2021 Convertible Bonds were disclosed in the announcements of the Company dated May 25, 2021, June 7, 2021 and June 8, 2021.

USE OF PROCEEDS FROM ISSUE OF THE 2020 CONVERTIBLE BONDS, PLACING AND ISSUE OF THE 2021 CONVERTIBLE BONDS

In May 2020, the Bond Issuer completed the issue of the 2020 Convertible Bonds, and raised net proceeds of approximately US\$146.6 million. As of June 30, 2022, the Company had fully utilized the proceeds as intended. The table below sets out the details of actual usage of the net proceeds as of June 30, 2022:

Use of proceeds	Net proceeds utilized up to June 30, 2022 <i>(US\$ million)</i>	Unutilized net proceeds as of June 30, 2022 <i>(US\$ million)</i>	Expected timeline of full utilization
Improving the Group's comprehensive research and development capabilities which mainly include purchasing hardware equipment and paying employees' remuneration	58.6	–	Not applicable
Upgrading the Group's marketing system	29.3	–	Not applicable
Establishing industry funds	36.7	–	Not applicable
Supplementing working capital	22.0	–	Not applicable

OTHER INFORMATION

In June 2021, the Company completed the placing of 156,000,000 new Shares and raised net proceeds of approximately HK\$2,315.6 million. As of June 30, 2022, the Company had utilized HK\$574.7 million as intended. The unutilized net proceeds will be used in accordance with such intended purposes as set out in the announcement of the Company dated May 25, 2021. The table below sets out the details of actual usage of the net proceeds as of June 30, 2022:

Use of proceeds	Net proceeds utilized up to June 30, 2022 <i>(HK\$ million)</i>	Unutilized net proceeds as of June 30, 2022 <i>(HK\$ million)</i>	Expected timeline of full utilization
Improving the Group's comprehensive research and development capabilities	111.5	1,046.3	By December 31, 2023
Upgrading the Group's marketing system	–	347.3	By December 31, 2023
Supplementing capital for potential strategic investment and merger and acquisition and working capital	463.2	–	Not applicable
General corporate purposes	–	347.3	By December 31, 2023

In June 2021, the Bond Issuer completed the issue of the 2021 Convertible Bonds and raised net proceeds of approximately US\$293.6 million. As of June 30, 2022, the Company had utilized US\$20.4 million as intended. The unutilized net proceeds will be used in accordance with such intended purposes as set out in the announcement of the Company dated May 25, 2021. The table below sets out the details of actual usage of the net proceeds as of June 30, 2022:

Use of proceeds	Net proceeds utilized up to June 30, 2022 <i>(US\$ million)</i>	Unutilized net proceeds as of June 30, 2022 <i>(US\$ million)</i>	Expected timeline of full utilization
Improving the Group's comprehensive research and development capabilities	–	146.8	By December 31, 2023
Upgrading the Group's marketing system	–	44.0	By December 31, 2023
Supplementing capital for potential strategic investment and merger and acquisition and working capital	20.4	38.4	By December 31, 2023
General corporate purposes	–	44.0	By December 31, 2023

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

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of June 30, 2022, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been 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 they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules were as follows:

Interests in Shares

Name of Director	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding (%)	Long/short position
Mr. SUN Taoyong ("Mr. SUN")	Settlor of a discretionary trust ⁽¹⁾ ; interest held jointly with other persons ⁽²⁾	406,380,000	16.04	Long position
		70,304,000	2.77	Short position
Mr. FANG Tongshu ("Mr. FANG")	Interest in controlled corporation ⁽³⁾ ; interest held jointly with other persons ⁽²⁾	406,380,000	16.04	Long position
		70,304,000	2.77	Short position
Mr. YOU Fengchun ("Mr. YOU")	Settlor of a discretionary trust ⁽⁴⁾ ; interest held jointly with other persons ⁽²⁾	406,380,000	16.04	Long position
		70,304,000	2.77	Short position
Mr. HUANG Junwei	Beneficial owner	13,940,000	0.55	Long position

Notes:

- Mr. SUN's interest in the Company is indirectly held through Yomi.sun Holding Limited (the "Sun SPV"). Sun SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN and his family members are the beneficiaries of the Youmi Trust. Mr. SUN is also a director of the Sun SPV. As such, each of Mr. SUN, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Sun SPV.
- Mr. SUN, Mr. FANG and Mr. YOU are parties acting in concert (having the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers) and form the Substantial Shareholders Group. As such, each of Mr. SUN, Mr. FANG and Mr. YOU is deemed to be interested in the Shares held by other members of the Substantial Shareholders Group.
- Jeff.Fang Holding Limited (the "Fang SPV") is wholly-owned by Mr. FANG. Under the SFO, Mr. FANG is deemed to be interested in the Shares held by Fang SPV.
- Mr. YOU's interest in the Company is indirectly held through Alter.You Holding Limited (the "You SPV"). You SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Fount Investment Limited. Fount Investment Limited is beneficially owned by the Fount Trust, which was established by Mr. YOU as the settlor, appointor and investment manager. Infiniti Trust (Asia) Limited is the trustee of the Fount Trust, and Mr. YOU and his family members are the beneficiaries of the Fount Trust. Mr. YOU is also a director of the You SPV. As such, each of Mr. YOU, Infiniti Trust (Asia) Limited and Fount Investment Limited is deemed to be interested in the Shares held by You SPV.

OTHER INFORMATION

Save as disclosed above, as of June 30, 2022, none of the Directors or the chief executive of the Company (including their spouses and children under 18 years of age) had or was deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was 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 they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2022, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO:

Interests in Shares

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding (%)	Long/short position
Cantrust (Far East) Limited	Trustee ⁽¹⁾	321,145,000	12.68	Long position
		61,000,000	2.41	Short position
Youmi Investment Limited	Interest in controlled corporation ⁽¹⁾	321,145,000	12.68	Long position
		61,000,000	2.41	Short position
Sun SPV	Beneficial interest ⁽¹⁾	321,145,000	12.68	Long position
		61,000,000	2.41	Short position
Tencent Mobility Limited	Beneficial interest ⁽²⁾	84,306,000	3.33	Long position
THL H Limited	Beneficial interest ⁽²⁾	122,220,000	4.82	Long position
Tencent Holdings Limited	Interest in controlled corporation ⁽²⁾	206,526,000	8.15	Long position
JPMorgan Chase & Co.	Interest in controlled corporation; person having a security interest in shares; approved lending agent ⁽³⁾	139,275,970	5.50	Long position
		84,952,699	3.35	Short position
		23,275,913	0.92	Lending pool
Brown Brothers Harriman & Co.	Approved lending agent	155,091,000	6.12	Long position
		155,091,000	6.12	Lending pool



OTHER INFORMATION

Notes:

1. Sun SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN and his family members are the beneficiaries of the Youmi Trust. Mr. SUN is also a director of the Sun SPV. As such, each of Mr. SUN, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Sun SPV.
2. Tencent Mobility Limited and THL H Limited are wholly-owned subsidiaries of Tencent Holdings Limited. Under the SFO, Tencent Holdings Limited is deemed to be interested in 84,306,000 Shares held by Tencent Mobility Limited and 122,220,000 Shares held by THL H Limited.
3. JPMorgan Chase & Co. holds equity interests in the Shares through the companies directly controlled by it.

Save as disclosed above, as of June 30, 2022, the Directors were not aware of any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, recorded in the register required to be kept by the Company under section 336 of the SFO.

2018 RESTRICTED STOCK UNIT PLAN

The 2018 restricted stock unit plan (the “**2018 RSU Plan**”) of the Company was approved and adopted by the Board on July 1, 2018 (the “**2018 RSU Plan Adoption Date**”). The 2018 RSU Plan is not subject to the provisions of chapter 17 of the Listing Rules. The purpose of the 2018 RSU Plan is to recognize and reward participants for their contribution to the Group, to attract best available personnel to provide services to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group’s business. For more information on the 2018 RSU Plan, please refer to the section headed “F. RSU PLAN” under Statutory and General Information in Appendix IV of the Prospectus. Certain principal terms and details of the RSU Plan are summarized as follows:

Effectiveness and Duration

Subject to any early termination as may be determined by the Board pursuant to terms of the 2018 RSU Plan, the 2018 RSU Plan shall be valid and effective for a period of 10 years commencing on the 2018 RSU Plan Adoption Date, after which no awards will be granted, but the provisions of this RSU Plan shall in all other respects remain in full force and effect and the awards granted during the term of the 2018 RSU Plan may continue to be valid and exercisable in accordance with their respective terms of grant.

Administration

The 2018 RSU Plan shall be subject to the administration of the administrator (the “**Administrator**”), being (i) prior to the Listing, Mr. SUN Taoyong, and (ii) immediately after the consummation of the Listing, the committee comprising of certain members appointed by the Board from time to time, in accordance with the terms and conditions of the 2018 RSU Plan. The Administrator may, from time to time, select the participants to whom a grant of a RSU (the “**Awards**”) may be granted.

The Administrator shall have the sole and absolute right to (a) interpret and construe the provisions of the 2018 RSU Plan, (b) determine the persons who will be granted Awards under the 2018 RSU Plan, the terms and conditions on which Awards are granted and when the RSUs granted pursuant to the 2018 RSU Plan may vest, (c) make such appropriate and equitable adjustments to the terms of the Awards granted under the 2018 RSU Plan as it deems necessary; and (d) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (a), (b) and (c).

Who may join

Those eligible to participate in the 2018 RSU Plan (the “**2018 RSU Plan Participants**”) include: (a) full-time employees (including directors, officers and members of senior management) of the Group; and (b) any person who, in the sole opinion of the Administrator, has contributed or will contribute to any member of the Group (including business partners of any member of the Group, such as suppliers, clients, or any persons who provide technical support, consultancy, advisory or other services to any member of the Group).

Maximum number of shares

The total number of Shares underlying the 2018 RSU Plan (the “**2018 RSU Limit**”) shall not exceed the aggregate of 14,099 Shares as of the date of adoption of the 2018 RSU Plan initially held by the Weimob Teamwork as transferred from a company wholly-owned by Mr. SUN Taoyong, representing 4.12% of the issued Shares as of the 2018 RSU Plan Adoption Date (on a fully diluted and as-converted basis assuming all the Shares underlying the 2018 RSU Plan have been issued). Immediately following the completion of the capitalization issue and the global offering of the Company on January 15, 2019, the aggregate number of Shares held by the Weimob Teamwork was 70,495,000 Shares. Weimob Teamwork has been appointed as the trustee pursuant to the trust deed to administrate the 2018 RSU Plan.

Details of the RSUs granted under the 2018 RSU Plan

As disclosed in the announcement of the Company dated May 28, 2021, the Board approved the grant of the 2018 RSU Awards in respect of an aggregate of 1,900,000 underlying Shares to five grantees for nil consideration under the 2018 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2018 RSU Scheme. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

As of June 30, 2022, the aggregate number of Shares underlying the granted RSUs under the 2018 RSU Plan was 70,495,000 Shares, representing approximately 2.78% of the issued share capital of the Company as of June 30, 2022, and the aggregate number of Shares underlying the vested RSUs under the 2018 RSU Plan was 70,033,000 Shares. As of the date of this interim report, the aggregate number of Shares underlying the granted RSUs and the aggregate number of Shares underlying the vested RSUs under the 2018 RSU Plan remained unchanged.

Details of the outstanding RSUs granted pursuant to the 2018 RSU Scheme and the movements during the Reporting Period are set out below:

Category of grantee	Number of Shares Underlying RSUs as of December 31, 2021	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Number of Shares underlying the RSUs outstanding as of June 30, 2022	Approximate percentage of shareholding as of June 30, 2022
Employee	733,750	0	433,750	0	300,000	0.01%



OTHER INFORMATION

2020 RESTRICTED SHARE UNIT SCHEME

The 2020 restricted share unit scheme (the “**2020 RSU Scheme**”) of the Company (including the RSU Scheme Annual Mandate, as defined below) was adopted by the Board on May 25, 2020 and was approved and adopted by the Shareholders at the annual general meeting of the Company held on June 29, 2020 (the “**2020 RSU Scheme Adoption Date**”). The 2020 RSU Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The purpose of the 2020 RSU Scheme is to recognize and reward participants for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them to remain with and further promote the success of the Group’s business. For more information on the 2020 RSU Scheme, please refer to the announcement and the circular of the Company dated May 25, 2020 and May 28, 2020, respectively. Certain principal terms and details of the 2020 RSU Scheme are summarized as follows:

Effectiveness and Duration

Subject to any early termination as may be determined by the Board pursuant to terms of the 2020 RSU Scheme, the 2020 RSU Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which no awards will be granted, but the provisions of the 2020 RSU Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the 2020 RSU Scheme may continue to be valid and exercisable in accordance with their respective terms of grant.

Administration

The 2020 RSU Scheme shall be subject to the administration of the administrator (the “**2020 RSU Scheme Administrator**”), being the Board or a committee comprising of certain members appointed by the Board from time to time, in accordance with the terms and conditions of the 2020 RSU Scheme. The 2020 RSU Scheme Administrator may, from time to time, select the participants to whom a grant of a restricted stock unit (the “**2020 RSU Awards**”) may be granted.

The 2020 RSU Scheme Administrator shall have the sole and absolute right to (a) interpret and construe the provisions of the 2020 RSU Scheme, (b) determine the persons who will be granted 2020 RSU Awards under the 2020 RSU Scheme, the terms and conditions on which 2020 RSU Awards are granted and when the RSUs granted pursuant to the 2020 RSU Scheme may vest, (c) make such appropriate and equitable adjustments to the terms of the 2020 RSU Awards granted under the 2020 RSU Scheme as it deems necessary; and (d) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (a), (b) and (c). All the decisions, determinations and interpretations made by the 2020 RSU Scheme Administrator in accordance with this Scheme shall be final, conclusive and binding on all parties.

Who may join

Those eligible to participate in the 2020 RSU Scheme (the “**2020 RSU Scheme Participants**”) include: (a) full-time employees (including directors, officers and members of senior management) of the Group; and (b) any person who, in the sole opinion of the 2020 RSU Scheme Administrator, has contributed or will contribute to any member of the Group (including business partners of any member of the Group, such as suppliers, clients, or any persons who provide technical support, consultancy, advisory or other services to any member of the Group).

Maximum number of Shares

No Award shall be granted pursuant to the 2020 RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the 2020 RSU Scheme (excluding 2020 RSU Awards that have lapsed or been cancelled in accordance with the rules of the 2020 RSU Scheme) will exceed 3% of the total issued Shares at the relevant date of Shareholders' approval (the "**RSU Mandate Limit**").

The RSU Mandate Limit may be refreshed from time to time subject to prior approval of the Shareholders, but in any event, the total number of Shares that may underlie the 2020 RSU Awards granted following the date of approval of the refreshed limit (the "**New Approval Date**") as refreshed from time to time must not exceed 3% of the total issued Shares at the relevant date of Shareholders' approval. Shares underlying the RSUs granted pursuant to the 2020 RSU Scheme (including those outstanding, cancelled, lapsed or vested) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares that may underlie the RSUs granted following the New Approval Date under the limit as renewed.

To the extent that the Company may, during the Relevant Period (as defined below), grant RSUs pursuant to the 2020 RSU Scheme which may be satisfied by the Company allotting and issuing new Shares upon the vesting of the RSUs, the Company shall at its general meeting propose for the Shareholders to consider and, if thought fit, pass an ordinary resolution approving a mandate specifying:

- (i) the maximum number of new Shares that may underlie RSUs granted pursuant to the 2020 RSU Scheme during the Relevant Period; and
- (ii) that the Board has the power to allot and issue Shares, procure the transfer of Shares and otherwise deal with Shares pursuant to the vesting of RSUs that are granted pursuant to the 2020 RSU Scheme during the Relevant Period as and when the RSUs vest.

The above mandate shall remain in effect during the period commencing from the date of the general meeting at which the ordinary resolution granting the mandate is passed until the earliest of:

- (a) the conclusion of the first annual general meeting of the Company following the passing of the above resolution;
- (b) the end of the period within which the Company is required by any applicable laws or by the memorandum and articles of association of the Company to hold the next annual general meeting of the Company; and
- (c) the date on which such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting,

(the "**Relevant Period**").

OTHER INFORMATION

Details of the RSUs granted under the 2020 RSU Scheme

Pursuant to the RSU Scheme Annual Mandate approved by the Shareholders at the 2021 annual general meeting held on June 29, 2022, the Company is authorised to allot and issue new Shares up to approximately 2% of the total number of the issued Shares as at the date of the 2021 annual general meeting to satisfy the grant of 2020 RSU Awards.

As disclosed in the announcement of the Company dated October 15, 2020, the Board approved the grant of 2020 RSU Awards in respect of an aggregate of 20,620,000 underlying Shares to 252 grantees for nil consideration under the 2020 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2020 RSU Scheme. Due to the termination of employment, five grantees failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 270,000 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

As disclosed in the announcement of the Company dated May 28, 2021, the Board approved the grant of 2020 RSU Awards in respect of an aggregate of 16,316,000 underlying Shares to 379 grantees for nil consideration under the 2020 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2020 RSU Scheme. Due to the termination of employment, eight grantees failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 161,500 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

As disclosed in the announcement of the Company dated December 20, 2021, the Board approved the grant of 2020 RSU Awards in respect of an aggregate of 15,651,000 underlying Shares to 406 grantees for nil consideration under the 2020 RSU Scheme, which would be vested to grantees within four years subject to other conditions in the 2020 RSU Scheme. Due to the termination of employment, one grantee failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 30,000 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company.

Details of the outstanding RSUs granted pursuant to the 2020 RSU Scheme and the movements during the Reporting Period are set out below:

Category of grantee	Number of Shares Underlying RSUs as of December 31, 2021	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Number of Shares underlying the RSUs outstanding as of June 30, 2022	Approximate percentage of shareholding as of June 30, 2022
Employee	42,298,200	0	3,915,430	2,442,550	35,940,220	1.42%

SUBSEQUENT EVENT

No significant events have taken place to subsequent June 30, 2022 and up to the date of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

FOR THE SIX MONTHS ENDED JUNE 30, 2022

		Six months ended June 30,	
		2022	2021
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited and Restated)
Continuing operations			
Revenue	7	899,612	959,372
Cost of sales	8	(301,936)	(199,361)
Gross profit		597,676	760,011
Selling and distribution expenses	8	(782,870)	(780,916)
General and administrative expenses	8	(543,695)	(310,376)
Net impairment losses on financial assets		(60,266)	(21,324)
Other income	9	38,421	63,455
Other gains, net	10	120,179	125,473
Operating loss		(630,555)	(163,677)
Finance costs	11	(79,550)	(27,995)
Finance income	12	9,090	7,404
Share of net loss of associates accounted for using the equity method	20	(2,762)	(84)
Change in fair value of convertible bonds	22(c)	23,347	(385,406)
Loss before income tax		(680,430)	(569,758)
Income tax credit	13	21,669	9,520
Loss from continuing operations		(658,761)	(560,238)
Discontinued operations			
Loss from discontinued operation	24	(852)	(24,092)
Loss for the period		(659,613)	(584,330)
Loss attributable to:			
– Equity holders of the Company		(608,548)	(557,713)
– Non-controlling interests		(51,065)	(26,617)
		(659,613)	(584,330)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

FOR THE SIX MONTHS ENDED JUNE 30, 2022

	Note	Six months ended June 30,	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited and Restated)
Other comprehensive loss, net of tax			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		(86,751)	(10,863)
<i>Items that may not be subsequently reclassified to profit or loss</i>			
Change in fair value of financial liabilities from own credit risk		–	(4,864)
Total comprehensive loss for the period		(746,364)	(600,057)
Total comprehensive loss attributable to:			
– Equity holders of the Company		(695,299)	(573,440)
– Non-controlling interests		(51,065)	(26,617)
		(746,364)	(600,057)
Total comprehensive loss attributable to owners of the Company arises from:			
– Continuing operations		(745,512)	(575,965)
– Discontinued operations	24	(852)	(24,092)
		(746,364)	(600,057)
Loss per share from continuing operations attributable to the ordinary equity holders of the Company (expressed in RMB per share)			
– Basic loss per share	15	(0.24)	(0.23)
– Diluted loss per share	15	(0.24)	(0.23)
Loss per share attributable to the ordinary equity holders of the Company (expressed in RMB per share)			
– Basic loss per share	15	(0.24)	(0.24)
– Diluted loss per share	15	(0.24)	(0.24)

The accompanying notes on pages 49 to 104 form an integral part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	16	82,421	87,959
Right-of-use assets	17	511,898	266,584
Investment properties		34,940	34,940
Intangible assets	18	1,663,185	1,229,798
Development costs	19	63,409	51,253
Deferred income tax assets		43,138	25,087
Contract acquisition cost	7	42,711	44,979
Investments accounted for using the equity method	20	54,671	57,433
Financial assets at fair value through profit or loss	5.3, 22	1,084,628	1,064,574
Prepayments, deposits and other assets	25	20,064	21,174
Other non-current assets		–	35,217
Total non-current assets		3,601,065	2,918,998
Current assets			
Trade and notes receivables	26	298,359	361,468
Contract acquisition cost	7	85,234	88,649
Prepayments, deposits and other assets	25	1,482,743	1,609,247
Financial assets at fair value through profit or loss	5.3, 22	336,859	458,297
Financial assets at fair value through other comprehensive income	21	151,823	190,298
Restricted cash	27	519,474	535
Cash and cash equivalents	27	2,880,191	3,809,069
Total current assets		5,754,683	6,517,563
Total assets		9,355,748	9,436,561
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	30	1,706	1,716
Shares held for RSU Scheme	30	(880)	(1,928)
Share premium	30	7,475,254	7,549,147
Equity component of convertible bonds	23	366,482	366,482
Other reserves	31	(983,681)	(962,933)
Accumulated losses		(3,497,559)	(2,889,011)
Non-controlling interests		3,361,322	4,063,473
		87,736	150,345
Total equity		3,449,058	4,213,818

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	<i>Note</i>	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss	5.3, 22	399,506	538,029
Financial liabilities measured at amortised cost	23	1,808,755	1,561,499
Lease liabilities		123,780	177,267
Contract liabilities	7	77,537	90,875
Deferred income tax liabilities		48,539	56,726
Other non-current liabilities	29	5,306	5,406
Total non-current liabilities		2,463,423	2,429,802
Current liabilities			
Financial liabilities measured at fair value through profit or loss	5.3, 22	120,559	–
Bank borrowings	28	1,563,000	745,000
Lease liabilities		76,568	93,273
Trade and other payables	29	1,366,597	1,637,017
Contract liabilities	7	311,473	316,505
Current income tax liabilities		5,070	1,146
Total current liabilities		3,443,267	2,792,941
Total liabilities		5,906,690	5,222,743
Total equity and liabilities		9,355,748	9,436,561

The accompanying notes on pages 49 to 104 form an integral part of this interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2022

		Attributable to equity holders of the Company								
		Share capital	Share premium	Shares held for RSU scheme	Equity component of convertible bonds	Other reserves	Accumulated losses	Sub-total	Non-controlling interests	Total
<i>Note</i>		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)										
As at January 1, 2022		1,716	7,549,147	(1,928)	366,482	(962,933)	(2,889,011)	4,063,473	150,345	4,213,818
Comprehensive loss										
Loss for the period		-	-	-	-	-	(608,548)	(608,548)	(51,065)	(659,613)
Currency translation differences		-	-	-	-	(86,751)	-	(86,751)	-	(86,751)
Total comprehensive loss for the period		-	-	-	-	(86,751)	(608,548)	(695,299)	(51,065)	(746,364)
Transaction with owners										
Buy-back of shares		30(a)	(10)	(73,893)	-	-	-	(73,903)	-	(73,903)
Transfer of vested RSUs		30, 31	-	-	1,048	-	(1,048)	-	-	-
Share-based compensation expenses for non-controlling shareholders		32(b)	-	-	-	-	-	-	4,114	4,114
Share-based compensation expenses for employees		32(a)	-	-	-	-	64,816	64,816	-	64,816
Transaction with non-controlling interests		31, 32(b)	-	-	-	-	2,235	2,235	(2,235)	-
Non-controlling interests from acquisition of a subsidiary		36	-	-	-	-	-	-	(13,423)	(13,423)
Transactions with owners in their capacity for the period			(10)	(73,893)	1,048	-	66,003	(6,852)	(11,544)	(18,396)
As at June 30, 2022		1,706	7,475,254	(880)	366,482	(983,681)	(3,497,559)	3,361,322	87,736	3,449,058

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2022

	Attributable to equity holders of the Company									
	Note	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Equity component of convertible bonds RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
(Unaudited)										
As at January 1, 2021		1,529	4,278,775	(15,819)	-	(1,106,251)	(2,110,217)	1,048,017	204,473	1,252,490
Comprehensive loss										
Loss for the period		-	-	-	-	-	(557,713)	(557,713)	(26,617)	(584,330)
Currency translation differences		-	-	-	-	(10,863)	-	(10,863)	-	(10,863)
Change in fair value of financial liabilities from own credit risk		-	-	-	-	(4,864)	-	(4,864)	-	(4,864)
Total comprehensive loss for the period		-	-	-	-	(15,727)	(557,713)	(573,440)	(26,617)	(600,057)
Transaction with owners										
Issuance of ordinary shares	30	99	1,916,595	-	-	-	-	1,916,694	-	1,916,694
Share issuance costs	30	-	(19,950)	-	-	-	-	(19,950)	-	(19,950)
Recognition of equity component of convertible bonds	23	-	-	-	366,482	-	-	366,482	-	366,482
Transfer of vested RSUs	30, 31	-	-	9,711	-	(9,711)	-	-	-	-
Issuance of ordinary shares for share-based compensation	30, 32	13	-	(13)	-	-	-	-	-	-
Share-based compensation expenses for employees	32	-	-	-	-	68,427	-	68,427	2,496	70,923
Transaction with non-controlling interests	31, 32(b)	-	-	-	-	1,054	-	1,054	(1,054)	-
Capital injection from non-controlling interests		-	-	-	-	-	-	-	7,000	7,000
Non-controlling interests on acquisition of a subsidiary	36	-	-	-	-	-	-	-	4,012	4,012
Transactions with owners in their capacity for the period		112	1,896,645	9,698	366,482	59,770	-	2,332,707	12,454	2,345,161
As at June 30, 2021		1,641	6,175,420	(6,121)	366,482	(1,062,208)	(2,667,930)	2,807,284	190,310	2,997,594

The accompanying notes on pages 49 to 104 form an integral part of this interim financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2022

	Note	Six months ended June 30,	
		2022	2021
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows used in operating activities			
Cash used in operations		(459,334)	(472,719)
Interest received		7,121	7,404
Interest paid		(31,360)	(32,591)
Income tax paid		(385)	(556)
Net cash used in operating activities		(483,958)	(498,462)
Cash flows from investing activities			
Purchase of investments measured at fair value through profit or loss (current and non-current portion)		(589,405)	(258,300)
Proceeds from disposal of investments measured at fair value through profit or loss		545,437	92,866
Interest received from term deposits and loan to third parties		–	279
Proceeds from disposals of investments in an associate		–	321
Payment for acquisition of subsidiaries, net of cash acquired		(176,807)	(6,640)
Purchase of property, plant and equipment		(6,516)	(24,560)
Purchase of land use right	17(i)	(324,480)	–
Proceeds from disposal of property, plant and equipment		29	1,349
Purchase of intangible assets		(429)	(135)
Payment for development costs		(177,759)	(126,524)
Loan to related parties	34	(33,000)	(40,619)
Repayment from a related party	34	–	4,000
Net cash used in investing activities		(762,930)	(357,963)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2022

	Note	Six months ended June 30,	
		2022	2021
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		–	1,916,694
Transaction costs of share issuance		–	(19,950)
Proceeds from issuance of convertible bonds at amortised cost		–	1,929,930
Issuance costs of convertible bonds at amortised cost		–	(40,297)
Buy-back of shares		(73,903)	–
Proceeds from bank borrowings		1,126,000	543,000
Repayments of bank borrowings		(308,000)	(483,050)
Borrowing from third parties		–	241,500
Settlement of financial liabilities measured at fair value through profit or loss		–	(49,721)
Principal elements of lease payments		(25,438)	(23,617)
Capital injection from non-controlling interests		–	7,000
Payment for borrowings due to a third party		(100)	–
Increase in deposits pledged for bank borrowings		(519,474)	–
Net cash generated from financing activities		199,085	4,021,489
Net increase in cash and cash equivalents		(1,047,803)	3,165,064
Effect on exchange rate difference		118,925	(26,013)
Cash and cash equivalents at beginning of the period		3,809,069	1,823,976
Cash and cash equivalents at end of the period		2,880,191	4,963,027
Cash flows relating to discontinued operations	24	(1,112)	(29,862)

The accompanying notes on pages 49 to 104 form an integral part of this interim financial information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

1 GENERAL INFORMATION

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

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

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

The condensed consolidated interim financial information comprises the condensed consolidated statement of financial position as at June 30, 2022, the related condensed consolidated statement of comprehensive loss for the six-month period then ended, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the “Interim Financial Information”). The Interim Financial Information is presented in Renminbi (“RMB”), unless otherwise stated.

The Interim Financial Information has been approved for issue by the Board of Directors on August 15, 2022.

2 BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 ‘Interim Financial Reporting’ issued by the Hong Kong Accounting Standards Board and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), as set out in the 2021 annual report of the Company dated March 28, 2022 (the “2021 Financial Statements”).



NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those used in the 2021 Financial Statements, as described in those annual financial statements, except for the newly added accounting policy of discontinued operation and the adoption of new and amended standards as set out below.

3.1 Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss. The comparative figures in the condensed consolidated comprehensive loss have been restated to conform with the discontinued operation.

3.2 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, which did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

3.3 New standards and amendments to standards that have been issued but not effective

A number of new standards and amendments to standards have not come into effect for the financial year beginning January 1, 2022 and have not been early adopted by the Group in preparing the condensed consolidated financial statements. None of these is expected to have a significant effect on the condensed consolidated financial statements of the Group.

4 ESTIMATES

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2021 Financial Statements.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and fair value interest rate risk), price risk, credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2021 Financial Statements. There have been no changes in the risk management policies during the six months ended June 30, 2022.

5.2 Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
(Unaudited)				
As at June 30, 2022				
Trade and other payables (excluding staff costs and welfare accruals, advance from advertisers and other tax payable) <i>(Note 29)</i>	487,355	–	–	487,355
Bank borrowing (including interest accrual up to maturity) <i>(Note 28)</i>	1,591,390	–	–	1,591,390
Financial liabilities measured at amortised cost (non-current) <i>(Note 23)</i>	–	1,777,452	149,933	1,927,385
Lease liabilities	78,188	55,953	72,419	206,560
Other non-current liabilities <i>(Note 29)</i>	–	–	5,306	5,306
Total	2,156,933	1,833,405	227,658	4,217,996

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.2 Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
As at December 31, 2021				
Trade and other payables (excluding staff costs and welfare accruals, advance from advertisers and other tax payable) (Note 29)	732,053	–	–	732,053
Bank borrowing (including interest accrual up to maturity) (Note 28)	753,004	–	–	753,004
Convertible bonds measured at amortised cost (Note 23)	–	–	1,641,292	1,641,292
Lease liabilities	120,769	99,027	52,508	272,304
Other non-current liabilities (Note 29)	–	–	5,406	5,406
Total	1,605,826	99,027	1,699,206	3,404,059

As at June 30, 2022 and December 31, 2021, the Group's financial liabilities at fair value through profit or loss ("FVPL") (current and non-current portion) amounted to RMB520,065,000 and RMB538,029,000, respectively (Note 22). The financial liabilities at FVPL have not been included in above tables because the contractual maturities are not essential for an understanding of the timing of the cash flows. These liabilities are managed on a fair value basis rather than by maturity date. If the Group is requested to repay the current financial liability at FVPL (Note 22(c)), the amount will be RMB128,057,000.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair values estimation

Financial instruments carried at fair value or where fair value was disclosed can be categorised by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair values as at June 30, 2022.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
Assets				
Financial assets measured at FVPL				
– Non-current (<i>Note 22</i>)	–	–	1,084,628	1,084,628
– Current (<i>Note 22</i>)	54,339	–	282,520	336,859
Financial assets measured at fair value through other comprehensive income ("FVOCI")				
– Current (<i>Note 21</i>)	–	–	151,823	151,823
	54,339	–	1,518,971	1,573,310
Liabilities				
Financial liabilities measured at FVPL				
– Current (<i>Note 22</i>)	120,559	–	–	120,559
– Non-current (<i>Note 22</i>)	–	–	399,506	399,506
	120,559	–	399,506	520,065

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair values estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair values as at December 31, 2021.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets measured at FVPL				
– Non-current (Note 22)	–	–	1,064,574	1,064,574
– Current (Note 22)	68,324	–	389,973	458,297
Financial assets measured at FVOCI				
– Current (Note 21)	–	–	190,298	190,298
	68,324	–	1,644,845	1,713,169
Liabilities				
Financial liabilities measured at FVPL				
– Non-current (Note 22)	138,523	–	399,506	538,029

There were no transfers of financial assets and liabilities between level 1, level 2 and level 3 during the six months ended June 30, 2021 and 2022.

Financial instruments in level 1

Level 1 financial assets as at June 30, 2022 and December 31, 2021 represented Hong Kong listed equity securities (Note 22).

Level 1 financial liability as at June 30, 2022 and December 31, 2021 represented 2020 Convertible bonds with quoted price in Hong Kong active market (Note 22(c)).

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair values estimation (Continued)

Financial instruments in level 3 (Continued)

The following table presents the changes in level 3 financial instruments for the six months ended June 30, 2021 and 2022. As one or more of the significant inputs used in the valuation of these instruments is not based on observable market data, the instruments are included in level 3.

	Current financial assets measured at FVPL (Note 22(a)) RMB'000	Non-current financial assets measured at FVPL (Note 22(b)) RMB'000	Financial assets at FVOCI (Note 21) RMB'000	Derivative financial instrument RMB'000	Non-current Current financial liabilities measured at FVPL (Note 22(b)) RMB'000	Non-current financial liabilities measured at FVPL (Note 22(b)) RMB'000	Total RMB'000
(Unaudited)							
Balance as at January 1, 2022	389,973	1,064,574	190,298	-	-	(399,506)	1,245,339
Addition	432,242	51,463	1,058,364	-	-	-	1,542,069
Business combination (Note 36)	5,000	-	-	-	-	-	5,000
Changes in fair value	742	1,429	(1,550)	-	-	-	621
Settlements	(545,437)	-	(1,095,289)	-	-	-	(1,640,726)
Disposals (Note 22(b)(iv))	-	(32,838)	-	-	-	-	(32,838)
Balance as at June 30, 2022	282,520	1,084,628	151,823	-	-	(399,506)	1,119,465
Net unrealized gains/(losses) for the period	-	-	-	-	-	-	-
(Unaudited)							
Balance as at January 1, 2021	145,740	215,094	44,834	15,468	(46,365)	(51,919)	322,852
Addition	40,500	223,800	998,772	-	-	(241,500)	1,021,572
Changes in fair value	1,780	71,590	(7,915)	-	-	(7,822)	57,633
Settlements	(92,866)	-	(965,756)	(15,468)	46,365	18,824	(1,008,901)
Balance as at June 30, 2021	95,154	510,484	69,935	-	-	(282,417)	393,156
Net unrealized gains/(losses) for the period	613	71,590	-	-	-	(1,174)	71,029

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair values estimation (Continued)

Financial instruments in level 3 (Continued)

(a) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value at		Significant unobservable inputs	Range of inputs (probability-weighted average)		Relationship of unobservable inputs to fair value
	Jun 30, 2022 RMB'000	Dec 31, 2021 RMB'000		Jun, 30 2022	Dec, 31 2021	
Assets						
Investment in unlisted companies (i)	1,084,628	1,054,628	Expected volatility	41.30%- 49.10%	41.30%- 45.20%	The higher the expected volatility, DLOM and WACC, the lower the fair value.
			Discount for lack of marketability ("DLOM")	25.00%- 30.00%	25.00%	
			Weighted average cost of capital ("WACC")	26.00%- 28.00%	26.00%	
Short-term investments at FVPL (ii)	282,520	389,973	Expected yield	1.35%- 2.05%	1.48%- 3.40%	Positive correlation
Investment in convertible bonds of Growing Corporation (Note 22(b)(iv))	-	9,946		-	-	
Financial assets at FVOCI (Note 21)	151,823	190,298	Discount rate	5.00%	5.46%	Negative correlation
Liabilities						
Contingent payable- Shanghai Heading Information Engineering Co., Ltd. ("Heading") (iii)	37,595	37,595	Discount rate	4.00%	4.00%	Negative correlation
Other non-current financial liabilities at FVPL- Beijing Weizhi Shuke Investment Center (Limited Partnership) ("Weizhi Shuke") (iv)	361,911	361,911	Note (iv)	-	-	

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair values estimation (Continued)

Financial instruments in level 3 (Continued)

(a) *Valuation inputs and relationships to fair value (Continued)*

- (i) Investment in unlisted companies
As disclosed in Note 22(b), the Group made investment in several unlisted companies (“Unlisted Companies”) directly or indirectly from 2020 to 2022, all of which are classified as financial assets at FVPL. The fair value of the investments in Unlisted Companies were calculated using the equity allocation method.
- (ii) Short-term investments at FVPL
Short-term investments at FVPL represented structured deposits with guaranteed principal and floating return and bank wealth management products with non-guaranteed principal and floating return. The fair value of the short-term investments at FVPL were calculated using the expected yield.
- (iii) Contingent consideration – Heading
The Group acquired 51% equity interests of Heading in November 2020 at a total consideration of RMB510,000,000, among which RMB37,595,000 is contingent upon the achievement of certain preconditions according to relevant agreements. The contingent payment is recorded as non-current financial liabilities measured at FVPL as it is expected to be settled in 2023. There was no significant change in the fair value of this contingent payable for the six months ended June 30, 2022.
- (iv) Other non-current financial liabilities at FVPL – Weizhi Shuke
As disclosed in Note 22(b)(i), in January 2021, the Group established and consolidated a 5-year contractual based fund, Weizhi Shuke with three venture capital partners to invest in unlisted cloud computing and big data companies. The investment in the portfolio companies are accounted for as financial assets at FVPL. The financing from venture capital partners are recorded as non-current financial liabilities at FVPL, under which the fair value was determined according to the value of underlying investments and the predetermined profit distribution mechanism that set out in the fund agreement.

(b) *Valuation processes*

The Group engaged an external, independent and qualified appraiser to carry out the fair value valuation for financial reporting purposes, including level 3 fair values. The appraiser reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the appraiser periodically.

Except for the level 3 instruments mentioned above, long-term deposits (Note 25), lease liabilities (non-current portion), financial liabilities measured at amortised cost (Note 23) and other non-current liabilities, the Group’s financial assets and liabilities include cash and cash equivalents, restricted cash, trade and notes receivables, other receivables, bank borrowings, lease liabilities, trade and other payables, the carrying values of which approximated their fair values due to their short maturities. The carrying amount of the long-term deposits and financial liabilities measured at amortised cost and other non-current liabilities approximates its fair values since it bears an interest rate which approximates market interest rate.



NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

6 SEGMENT INFORMATION

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

The Group structured its operating segments and its service offering by providing integrated products of SaaS and targeting marketing services, in order to better empower digital transformation for merchants through offering diverse business solution. The Group structured its operation to three segments, including subscription solutions and merchant solutions as the core, and digital media as the supplement, both in the internal reports to CODM and in the consolidated financial statements of the Group. Subscription solutions mainly comprise the Group’s standard cloud-hosted SaaS products, customised software and other software related services. Merchant solutions mainly comprise value-added services offered to merchants as part of the holistic solutions to meet merchants’ online digital commerce and marketing needs, including assisting merchants to purchase online advertising traffic in various media platforms and providing in-depth operation and marketing services. Digital media mainly comprise advertisement placement services offered to certain merchants in which specified results or actions are committed. In 2022, the Group determined to terminate digital media business considering the business operation adjustment for simplifying disadvantaged business and focusing on key business (Note 24).

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

As at June 30, 2022 and December 31, 2021, substantial majority of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

6 SEGMENT INFORMATION (Continued)

	Subscription solutions RMB'000	Merchant solutions RMB'000	Digital media (a) RMB'000	Total RMB'000
(Unaudited)				
Six months ended June 30, 2022				
Segment revenue	581,078	318,534	–	899,612
Segment cost of sales	(227,902)	(74,034)	–	(301,936)
Gross profit	353,176	244,500	–	597,676
(Unaudited)				
Six months ended June 30, 2021				
Segment revenue	549,617	409,755	423,708	1,383,080
Segment cost of sales	(142,987)	(56,374)	(417,388)	(616,749)
Gross profit	406,630	353,381	6,320	766,331

- (a) Considering the business operation adjustment for simplifying disadvantaged business and focusing on key business, the Group discontinued the business of digital media services in 2022 (Note 24).

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

7 REVENUE

An analysis of the Group's revenue by category for the six months ended June 30, 2021 and 2022 was as follows:

7.1 Disaggregation of revenue from contracts with customers

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Digital commerce		
– Subscription solutions	581,078	549,617
– Merchant solutions*	318,534	409,755
	899,612	959,372
Digital media	–	423,708
Total revenue	899,612	1,383,080

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Timing of revenue recognition		
– At a point in time	438,075	1,040,081
– Over time	461,537	342,999
	899,612	1,383,080

* Included in the merchant solutions revenue, the Group recognized variable rebates received from media publishers in the current period of RMB125,423,000 (six months ended June 30, 2021: RMB1,132,000), for which the related performance obligations were satisfied in previous periods.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Contract acquisition cost (current)	85,234	88,649
Contract acquisition cost (non-current)	42,711	44,979
Total assets related to contracts with customers	127,945	133,628
Contract liabilities (current)	311,473	316,505
Contract liabilities (non-current)	77,537	90,875
Total contract liabilities	389,010	407,380

(a) *Significant changes in contract liabilities*

Contract liabilities of the Group mainly arise from the non-refundable advance payments in relation to subscription solutions services. Decrease in contract liabilities was mainly due to decrease of advance payment from subscription solutions services.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(b) Revenue recognised in relation to contract liabilities

	Six months ended at June 30,	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Beginning balance	407,380	481,354
Addition	274,648	375,262
Business combination (Note 36)	7,055	–
Recognised in revenue	(300,073)	(412,556)
Ending balance	389,010	444,060

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Six months ended June 30,	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period	209,637	238,302

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(c) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from subscription solutions.

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Subscription solutions related	389,010	407,380

The Company expects that out of total unsatisfied performance obligations of approximately RMB389,010,000 as at June 30, 2022 (December 31, 2021: RMB407,380,000), approximately RMB311,473,000 (December 31, 2021: RMB316,505,000) will be recognised as revenue within 1 year. The remaining approximately RMB77,537,000 (December 31, 2021: RMB90,875,000) will be recognised as revenue within one to three years. The service provision period for merchant solutions and digital media services are generally one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations are not disclosed.

(d) Assets recognised from incremental costs to obtain a contract

The Group has recognised assets in relation to incremental costs to acquire the SaaS products offering contracts. This is presented within "Contract acquisition cost" in the condensed consolidated statement of financial position.

	Six months ended June 30, 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Amortisation recognised as selling expenses related to SaaS products offering during the period (Note 8(a))	98,662	127,010

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

7 REVENUE (Continued)

7.2 Assets and liabilities related to contract with customers (Continued)

(e) Assets recognised from costs to fulfil a contract

The Group has also recognised an asset in relation to costs to fulfil its customised software development contracts. This is presented within “Prepayments, deposits and other assets” in the condensed consolidated statement of financial position.

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Beginning balance	26,003	14,124
Addition	47,439	50,175
Recognised as cost of providing customised software development service during the period	(36,783)	(32,192)
Ending balance	36,659	32,107

8 EXPENSES BY NATURE

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Employee benefits expenses	1,024,299	736,061
Promotion and advertising expenses (a)	190,752	300,638
Depreciation and amortisation	136,917	84,454
Outsourced service fee	87,121	54,178
Server and SMS charges related to subscription solutions revenue	59,611	46,221
Depreciation of right-of-use assets (Note 17)	40,112	24,134
Advertising traffic cost	30,577	418,200
Utilities and office expenses	29,910	32,228
Travelling and entertainment expenses	11,582	19,625
Taxes and surcharges	8,658	7,075
Other consulting fees	5,706	7,253
Auditors' remuneration	3,127	2,407
Others	1,241	14,254
	1,629,613	1,746,728

- (a) For the six months ended June 30, 2022, promotion and advertising expenses mainly consists of amortisation expenses of contract acquisition cost of RMB98,662,000 (June 30, 2021: RMB126,282,000), and advertising expenses of RMB79,596,000, which were mainly paid and payable to Beijing Tencent Culture Media Company Limited (June 30, 2021: RMB155,494,000).

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

8 EXPENSES BY NATURE (Continued)

Key management compensation

Key management includes executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Salaries, wages and bonus	5,005	4,715
Other social security costs, housing benefits and other employee benefits	272	261
Pension cost – defined contribution plan	233	223
Share-based compensation	25,155	1,983
	30,665	7,182

9 OTHER INCOME

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Super deduction of input VAT (a)	24,221	45,892
Government grants	14,200	20,702
Interest income from loan to related and third parties	–	1,443
	38,421	68,037

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

10 OTHER GAINS, NET

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Foreign exchange gains, net	136,528	57,861
Gains from disposal of short-term investments measured at FVPL	742	1,167
Losses on disposals of investment in Growing Corporation (Note 22(b)(iv))	(855)	–
Fair value losses on disposals of financial assets measured at FVOCI	(1,550)	(7,915)
Fair value change of listed equity security investment (Note 22)	(13,985)	11,081
Fair value change of non-current financial assets measured at FVPL (Note 22(b)(iv))	1,429	71,590
Fair value change of current financial assets measured at FVPL	–	613
Fair value change of non-current financial liabilities measured at FVPL	–	(7,822)
Others, net	(2,130)	(1,102)
	120,179	125,473

11 FINANCE COSTS

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest expenses on borrowings	26,494	15,026
Interest expenses on liability component of 2021 convertible bonds (Note 23(a))	45,492	7,745
Interest expenses on lease liabilities	5,182	5,224
Interest expenses on put option liability (Note 23 (b))	2,382	–
	79,550	27,995

12 FINANCE INCOME

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest income on bank deposits held for cash management purpose	9,090	7,404

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

13 TAXATION

(a) Value added tax

The Group is principally subject to 6% and 13% VAT, and surcharges on VAT payments according to PRC tax law. The Group enjoyed Super Deduction of input VAT since April 2019 (Note 9(a)).

(b) Income tax

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current tax/(credit)	4,309	(250)
Deferred income tax	(26,238)	(16,420)
Income tax credit	(21,929)	(16,670)

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(i) Cayman Islands Income Tax

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

(ii) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax for the six months ended June 30, 2022.

(iii) PRC Enterprise Income Tax

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

(iv) PRC Withholding Tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. There is no provision of withholding tax made for the six months ended June 30, 2021 and 2022 as majority of subsidiaries incorporated in the PRC have accumulated losses as at 30 June 2021 and 2022.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

14 DIVIDENDS

No dividends have been paid or declared by the Company for the six months ended June 30, 2021 and 2022.

15 LOSS PER SHARE

(a) Basic

Basic loss per share for the six months ended June 30, 2021 and 2022 are calculated by dividing the loss attribute to the Company's equity holders by the weighted average number of ordinary shares excluding those restricted ordinary shares not granted or vested during the respective periods.

	Six months ended June 30,	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net loss attributable to the equity holders of the Company (RMB'000) from:		
Continuing operations	(607,696)	(533,621)
Discontinued operations	(852)	(24,092)
	(608,548)	(557,713)
Weighted average numbers of ordinary shares in issue	2,543,549,857	2,277,432,865
Basic loss per share (expressed in RMB per share):		
Continuing operations	(0.24)	(0.23)
Discontinued operations	–	(0.01)

(b) Diluted

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

For the six months ended June 30, 2021 and 2022, convertible bonds (Note 22(c) and Note 23(a) issued by the Company and restricted shares units ("RSUs") granted to employees (Note 32) are considered to be potential ordinary shares. As the Group incurred losses for the six months ended June 30, 2021 and 2022, the dilutive potential ordinary shares of convertible bonds and RSUs were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Accordingly, diluted loss per share for the six months ended June 30, 2021 and 2022 was the same as basic loss per share of the respective period.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

16 PROPERTY, PLANT AND EQUIPMENT

	Computer and electronic equipment RMB'000	Furniture and fixtures RMB'000	Vehicles RMB'000	Buildings RMB'000	Leasehold improvement RMB'000	Assets under construction RMB'000	Total RMB'000
(Unaudited)							
Cost							
At January 1, 2022	37,882	6,301	4,463	35,500	46,869	2,219	133,234
Additions	934	3,148	35	–	2,496	456	7,069
Business combination (Note 36)	318	41	–	–	–	–	359
Disposals	(135)	(170)	–	–	–	–	(305)
At June 30, 2022	38,999	9,320	4,498	35,500	49,365	2,675	140,357
Accumulated depreciation							
At January 1, 2022	(18,201)	(3,193)	(961)	(1,673)	(21,247)	–	(45,275)
Depreciation	(4,952)	(502)	(352)	(717)	(6,367)	–	(12,890)
Disposals	128	101	–	–	–	–	229
At June 30, 2022	(23,025)	(3,594)	(1,313)	(2,390)	(27,614)	–	(57,936)
Net carrying amount							
At January 1, 2022	19,681	3,108	3,502	33,827	25,622	2,219	87,959
At June 30, 2022	15,974	5,726	3,185	33,110	21,751	2,675	82,421
(Unaudited)							
Cost							
At January 1, 2021	20,894	5,114	2,841	35,500	24,986	–	89,335
Additions	9,892	566	1,510	–	10,732	–	22,700
Business combination	6	5	–	–	–	–	11
Disposals	(82)	–	(1,851)	–	–	–	(1,933)
At June 30, 2021	30,710	5,685	2,500	35,500	35,718	–	110,113
Accumulated depreciation							
At January 1, 2021	(10,142)	(2,364)	(1,224)	(239)	(11,721)	–	(25,690)
Depreciation	(4,055)	(399)	(222)	–	(3,709)	–	(8,385)
Disposals	41	–	826	–	–	–	867
At June 30, 2021	(14,156)	(2,763)	(620)	(239)	(15,430)	–	(33,208)
Net carrying amount							
At January 1, 2021	10,752	2,750	1,617	35,261	13,265	–	63,645
At June 30, 2021	16,554	2,922	1,880	35,261	20,288	–	76,905

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

16 PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment test on property, plant and equipment and other long term assets have been conducted on individual cash generating unit (“CGU”) level (Note 18) and no impairment is considered necessary based on the impairment tests performed as at June 30, 2022.

17 LEASES

	Land-use rights (i) RMB'000	Buildings RMB'000	Total RMB'000
(Unaudited)			
Cost			
At January 1, 2022	10,000	386,434	396,434
Additions	324,480	2,100	326,580
Business combination (Note 36)	–	1,826	1,826
Other decrease (ii)	–	(49,592)	(49,592)
At June 30, 2022	334,480	340,768	675,248
Accumulated depreciation			
At January 1, 2022	(365)	(129,485)	(129,850)
Depreciation	(156)	(39,956)	(40,112)
Other decrease (ii)	–	6,612	6,612
At June 30, 2022	(521)	(162,829)	(163,350)
Net carrying amount			
At January 1, 2022	9,635	256,949	266,584
At June 30, 2022	333,959	177,939	511,898

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

17 LEASES (Continued)

	Land-use rights RMB'000	Buildings RMB'000	Total RMB'000
(Unaudited)			
Cost			
At January 1, 2021	10,000	165,734	175,734
Additions	–	95,874	95,874
Disposals	–	(2,892)	(2,892)
At June 30, 2021	10,000	258,716	268,716
Accumulated depreciation			
At January 1, 2021	(52)	(61,453)	(61,505)
Depreciation	(157)	(23,977)	(24,134)
Disposals	–	549	549
At June 30, 2021	(209)	(84,881)	(85,090)
Net carrying amount			
At January 1, 2021	9,948	104,281	114,229
At June 30, 2021	9,791	173,835	183,626

- (i) In January 2022, the Group entered into an agreement with Land and Resources Bureau to purchase land located in Shanghai Baoshan District with total consideration of RMB324,480,000. As at June 30, 2022, the Group has paid the consideration in full. The land use right was amortized ratably over the term of the useful life of 40 years at a straight-line basis. The related amortization expense during the construction period is recorded in assets under construction.
- (ii) Other decrease of right-of-use assets for the six months ended June 30, 2022 was mainly due to the modification of rental agreement. The Group recognised approximately RMB5,800,000 as deduction of rental expenses in "Selling and distribution expenses".

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

18 INTANGIBLE ASSETS

	Goodwill RMB'000	Trademarks RMB'000	Self- developed software RMB'000	Acquired software licenses RMB'000	Customer relationships RMB'000	Total RMB'000
(Unaudited)						
Cost						
At January 1, 2022	583,137	3,398	750,950	3,454	226,295	1,567,234
Additions	-	-	-	429	-	429
Business combination (Note 36)	354,771	-	40,004	1,099	-	395,874
Capitalisation of development costs (Note 19)	-	-	161,111	-	-	161,111
At June 30, 2022	937,908	3,398	952,065	4,982	226,295	2,124,648
Accumulated amortisation						
At January 1, 2022	-	-	(310,248)	(1,195)	(25,993)	(337,436)
Amortisation	-	-	(111,878)	(540)	(11,609)	(124,027)
At June 30, 2022	-	-	(422,126)	(1,735)	(37,602)	(461,463)
Net carrying amount						
At January 1, 2022	583,137	3,398	440,702	2,259	200,302	1,229,798
At June 30, 2022	937,908	3,398	529,939	3,247	188,693	1,663,185
(Unaudited)						
Cost						
At January 1, 2021	538,382	3,398	423,693	2,136	210,885	1,178,494
Additions	-	-	-	135	-	135
Business combination	24,758	-	9,387	-	15,410	49,555
Capitalisation of development costs (Note 19)	-	-	63,390	-	-	63,390
At June 30, 2021	563,140	3,398	496,470	2,271	226,295	1,291,574
Accumulated amortisation						
At January 1, 2021	-	-	(158,762)	(536)	(3,417)	(162,715)
Amortisation	-	-	(64,799)	(303)	(10,967)	(76,069)
At June 30, 2021	-	-	(223,561)	(839)	(14,384)	(238,784)
Net carrying amount						
At January 1, 2021	538,382	3,398	264,931	1,600	207,468	1,015,779
At June 30, 2021	563,140	3,398	272,909	1,432	211,911	1,052,790

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

18 INTANGIBLE ASSETS (Continued)

Impairment tests for goodwill

Goodwill is monitored by management at the level of operating segment before aggregation. As at June 30, 2022, goodwill of RMB937,908,000 represented the excess of total consideration over identifiable net assets arisen from the acquisitions of Wuxi Yazuo Zaixian Technology Co., Ltd. (“Wuxi Yazuo”), Heading, Shanghai Jingxin Information Technology Co., Ltd. (“Jingxin”), Guangzhou Xiangminiao Internet Technology Co., Ltd. (“Xiangminiao”), Shanghai Xiaomeng Technology Co., Ltd. (“Xiaomeng Technology”), Xiangxinyun and Shanghai Xiaomeng Financial Information Service Co., Ltd. (“Xiaomeng Financial”) (collectively “Acquirees”).

Except for goodwill arising from acquisition of Xiaomeng Financial, the goodwill arising from acquisitions of other Acquirees was all allocated to the Group’s subscription solutions CGU.

For the goodwill arising from acquisition of Xiaomeng Financial, the initial allocation of goodwill has not been completed before June 30, 2022 as the Group just acquired Xiaomeng Financial on June 30, 2022 and needs more time to perform the goodwill allocation. The initial allocation would be completed before the end of the first annual period beginning after the acquisition date.

For Xiangxinyun and Xiaomeng Financial, as the acquisitions were completed in January 2022 and June 2022, respectively and the considerations are determined based on arm’s length transaction. The management is of the view that there is no impairment indicator for the goodwill arising from acquisitions from Xiangxinyun and Xiaomeng Financial.

For Acquirees except for Xiangxinyun and Xiaomeng Financial, the Group has performed the goodwill impairment assessments, under which the recoverable amount of the goodwill was determined based on value-in-use calculations of the Group’s subscription solutions CGU. Based on the results of the impairment assessment, no impairment loss was recognised as at June 30, 2022.

Impairment tests on trademark

No impairment indicator for trademark was noted as at June 30, 2022.

Impairment test on other intangible assets

Impairment test on other long term assets including property, plant and equipment (Note 16), self-developed software, customer relationships acquired, software licenses and development costs (Note 19) of the Group has been conducted by the management as at June 30, 2022 for CGUs with impairment indicator. No impairment is considered necessary based on the impairment tests performed as at June 30, 2022.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

19 DEVELOPMENT COSTS

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
As at January 1	51,253	38,701
Development costs capitalised during the period	173,267	125,918
Transfer to intangible assets (Note 18)	(161,111)	(63,390)
As at June 30	63,409	101,229

20 ASSOCIATES

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
	Investments in associates accounted for using the equity method	54,671
	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Nanjing Chuangyi Meridian Weimob Emerging Industry Equity Investment Fund Partnership (Limited Partnership) ("Nanjing Chuangyi")	54,445	57,207
Chuangshi Yicun Weixin Private Equity Investment Funds ("Weixin")	226	226
	54,671	57,433

The entities listed below have share capital consisting of both ordinary shares and ordinary shares with preference rights, which are held directly or indirectly by the Group.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

20 ASSOCIATES (Continued)

Name	Date of incorporation	Particulars of issued shares held (thousand)	Place of incorporation and principal places of business	Percentage of ownership interest attribution to the Group		Principal activities	Accounting method
				As at June 30, 2022	As at December 31, 2021		
Weixin	June 4, 2019	RMB35,000	China	63.60%	63.60%	Investment	Equity method
Nanjing Chuangyi	October 1, 2019	RMB50,000	China	25.25%	25.25%	Investment	Equity method
Xi'an Mengyou Digital Technology Co., Ltd. ("Xi'an Mengyou") (a)	November 13, 2020		China	70.00%	49.00%	Merchant solutions	Equity method
Shanghai Xiaoke Information Technology Co., Ltd. (Note 22(b)(ii))	November 27, 2019	RMB299,620	China	34.90%	34.90%	Subscription solutions	Fair value
Zhejiang Demo Network Technology Co. Ltd. ("Demo")	February 11, 2015	RMB49,800	China	32.38%	32.38%	Subscription solutions	Fair value
Shanghai Syoo Network Technology Co., Ltd. ("Syoo")	November 20, 2017	RMB46,000	China	40.00%	40.00%	Subscription solutions	Fair value
Shanghai Mengyou Network Technology Co., Ltd. ("Mengyou")	November 2, 2018	RMB2,000	China	40.00%	40.00%	Subscription solutions	Fair value
Clipworks (Beijing) Technology Co., Ltd. ("Clipworks") (Note 22(b)(iii))	January 15, 2020	RMB6,000	China	7.93%	13.16%	Subscription and Merchant solutions	Fair value
Yijing Zhilian (Beijing) Technology Co., Ltd. ("Yijing") (Note 22(b)(iii))	November 18, 2019	RMB6,000	China	7.93%	Not applicable	Subscription and Merchant solutions	Fair value
Shanghai Fenfenzhong Network Technology Co., Ltd. ("Fenfenzhong")	October 22, 2018	RMB6,000	China	15.00%	15.00%	Subscription solutions	Fair value
Weizhi Shuke portfolio company A (Note 22(b)(i))	September 19, 2007	RMB45,000	China	18.37%	18.37%	Cloud Computing and big data	Fair value
Weizhi Shuke portfolio company B (Note 22(b)(i))	April 8, 2020	RMB35,700	China	4.70%	5.29%	Software	Fair value

The Group has significant influence over these investments based on its representation on the respective board of directors. For investments held by the Group in common shares, the Group accounted for those investments in equity method. For investments held by the Group in redeemable preferred shares, these investments have been accounted for under financial assets through profit or loss (Note 22) in the condensed consolidated statement of financial position of the Group and are not qualified for equity accounting.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

20 ASSOCIATES (Continued)

- (a) On November 13, 2020, the Group and Xi'an Pansos Digital Technology Co., Ltd. ("Pansos") established a limited liability company, Xi'an Mengyou with principal activities of merchants solutions. The Group and Pansos hold 49% and 51% equity interests of Xi'an Mengyou, respectively. The Group has significant influence in Xi'an Mengyou and accounted for the investment in Xi'an Mengyou using equity method. The net value of investment in Xi'an Mengyou was RMB nil after recognising the Group's share of losses of Xi'an Mengyou as at December 31, 2021.

On June 13, 2022, the Group reached a share transfer agreement with Pansos. Pursuant to the agreement, Pansos sold 21% equity interests of Xi'an Mengyou to the Group with nil consideration as the Group and Pansos did not make any investment to Xi'an Mengyou and Xi'an Mengyou remained inactive with minimal operations at that time. Upon the completion of the transaction on June 30, 2022, the Group owns 70.00% of the total equity interests in Xi'an Mengyou, and Xi'an Mengyou became a subsidiary of the Company.

The movement of the above investment in associates accounted for using the equity method is set out below.

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
At the beginning of the period	57,433	47,033
The Group's share of loss	(2,762)	(84)
At the end of the period	54,671	46,949

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
	Trade and other receivables at FVOCI	152,697
Less: provision for impairment of trade and other receivables at FVOCI	(874)	(277)
	151,823	190,298

Trade and other receivables due from certain advertisers with high reputation or long-term business relationship with Group are held for collection of contractual cash flows and for selling the financial assets by factoring, and are measured at FVOCI.

As at June 30, 2022 and December 31, 2021, the directors of the Company assessed the carrying amount of trade and other receivables at FVOCI approximated its fair values due to short maturities.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

22 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and liabilities measured at FVPL include the following:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Current assets		
Structured deposits (a)	282,520	310,535
Hong Kong listed equity securities	54,339	68,324
Bank wealth management products	–	79,438
Total current financial assets	336,859	458,297
Non-current assets		
Long-term investments measured at FVPL – Demo	87,330	87,330
Long-term investments measured at FVPL – Weizhi Shuke portfolio companies (b)(i)	376,390	346,390
Long-term investments measured at FVPL – Syoo	94,038	94,038
Long-term investments measured at FVPL – Xiaoke (b)(ii)	492,943	492,943
Long-term investments measured at FVPL – Yijing (b)(iii)	27,927	27,927
Long-term investments measured at FVPL – Fenfenzhong	6,000	6,000
Investments in convertible bonds measured at FVPL – Growing Corporation (b)(iv)	–	9,946
Total non-current financial assets	1,084,628	1,064,574
Total financial assets	1,421,487	1,522,871
Current liabilities		
2020 Convertible bonds (c)	120,559	–
Non-current liabilities		
2020 Convertible bonds (c)	–	138,523
Other financial liabilities measured at FVPL-Weizhi Shuke (b)(i)	361,911	361,911
Contingent payable for the acquisition of Heading	37,595	37,595
Total non-current financial liabilities	399,506	538,029
Total financial liabilities	520,065	538,029

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

22 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(a) Structured deposits

Structured deposits represent deposits with guaranteed principal and floating return.

(b) Long-term investments and related liabilities measured at FVPL

(i) *Investment in portfolio companies through "Weizhi Shuke"*

On January 20, 2021, the Group established a five-year limited-life fund-Weizhi Shuke with other three venture capitals to invest in cloud computing and big data companies and respective upstream and downstream sectors. The fund was controlled and consolidated by the Company. The investments from the venture capitals and the variable returns attributable to these venture capitals are recorded as financial liabilities given the limited life of Weizhi Shuke.

As at June 30, 2022, Weizhi Shuke invested ten portfolio companies with an aggregate investment amount of RMB356,200,000. All investments are redeemable preferred shares measured at FVPL. Two out of ten portfolio companies are the Group's associates because the Group has a board seat and therefore has significant influence over their operation (Note 20). As at June 30, 2022, the directors of the Company assessed the fair value of these ten investments approximates to RMB376,390,000 in total by using the equity allocation method or its investment consideration if the investments were made close to period end.

As at June 30, 2022, investments from the venture capital partners and the variable return amounting to RMB361,911,000 was recorded as non-current financial liabilities at FVPL. (December 31, 2021: RMB361,911,000).

(ii) *Investment in a SaaS company – "Xiaoke"*

As at June 30, 2022, the Group owned 34.9% equity interests in Xiaoke, including 31.9% redeemable preferred shares and 3% common shares. The equity interests acquired by the Group enjoys certain preferential rights including, but not limited to, redemption rights and liquidation preference etc. Therefore, the Group accounts for all its 34.9% equity interests in Xiaoke as financial asset at FVPL.

As at June 30, 2022, the directors of the Company assessed the fair value of this investment to be approximately RMB492,943,000 by using the equity allocation method. (December 31, 2021: RMB492,943,000).

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

22 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(b) Long-term investments and related liabilities measured at FVPL (Continued)

(iii) *Investment in a short-video-making Company "Yijing"*

As at December 31, 2021, the Group owned 13.16% redeemable preferred shares in Clipworks. The directors of the Company assessed the fair value of investment in Clipworks to be approximately RMB27,927,000.

In 2022, Clipworks was acquired by Yijing and the Group's 13.16% redeemable preferred shares in Clipworks was replaced with 7.93% redeemable preferred shares in Yijing considering the fair value of Clipworks and Yijing with Clipworks consolidated, respectively. As at June 30, 2022, the directors of the Company assessed the fair value of investment in Yijing to be approximately RMB27,927,000 by using the equity allocation method.

(iv) *Investment in convertible bonds at FVPL – Growing Corporation*

In December 2021, the Group reached a notes purchase agreement with Growing Corporation, an integrated B2B marketing agency and consultancy. Pursuant to the agreement, the Group purchased the notes of Growing Corporation with total consideration of USD7,800,000 and the notes shall be convertible into preferred shares upon closing of any sales and issuance by Growing Corporation of its preferred shares ("Proposed Equity Financing"). The purchased convertible bonds of Growing Corporation was measured at FVPL.

On December 8, 2021, Weimob Global paid USD1,560,000 (approximately equivalent to RMB9,946,000) ("Initial Closing Date") and the remaining USD6,240,000 would be paid by four tranches within 120 days after the Initial Closing Date.

If Proposed Equity Financing has not occurred, on or before the 360 days after the December 8, 2021, Growing Corporation shall be entitled to repurchase all notes with the price of the principal plus an 8% annual interest. If Growing Corporation elects not to exercise the repurchase right, the principal of each note shall be automatically converted into preference shares on the maturity date at a price of 80% of price per share paid by the investors in the latest equity financing immediately prior to the date of this agreement.

As of June 30, 2022, the Group has provided an aggregate amount of USD4,680,000 ("Principal") to Growing Corporation. In June, 2022, the Group and Growing Corporation reached an amendment agreement ("Amendment Agreement"). Pursuant to the Amendment Agreement, in connection with a proposed acquisition of Growing Corporation by a third party, the Group and Growing Corporation agreed to early exercise the repurchase right in July 2022 with the price of USD4,768,000 including Principal plus interest of USD88,000 computed from the date of notes to July 31, 2022 at an 3.5% annual interest.

As at June 30, 2022, the fair value of convertible bonds of Growing Corporation was USD4,898,000 including Principal plus interest of USD218,000 at an 8% annual interest. A gain of USD218,000 (approximately equivalent to RMB1,429,000) was recognised in "Other gains, net" for the fair value change of the investment in Growing Corporation for the six months ended June 30, 2022 (Note 10).

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

22 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(b) Long-term investments and related liabilities measured at FVPL (Continued)

(iv) *Investment in convertible bonds at FVPL – Growing Corporation (Continued)*

The Amendment Agreement transferred substantially all the risks and rewards of ownership of the asset, hence the Group derecognised the investment in Growing Corporation measured at FVPL of USD4,898,000 (approximately equivalent to RMB32,853,000) and recognised other receivable from Growing Corporation of USD4,768,000 (approximately equivalent to RMB31,998,000) as at June 30, 2022 (Note 25). The loss of USD130,000 (approximately equivalent to RMB855,000) has been recognised in “Other gains, net” for the six months ended June 30, 2022 (Note 10).

(c) 2020 Convertible bonds

On May 15, 2020, the Group issued USD150 million (equal to approximately RMB1,064,040,000) of guaranteed convertible bonds (the “2020 Convertible bonds”), which will be matured on May 15, 2025. The interest rate is 1.5% per annum and is payable semi-annually in arrear on May 15 and November 15 each year.

The bond issuer has RMB as its functional currency and the bonds are denominated in USD. As a result, it is determined that the conversion feature of the Bonds violates the equity classification.

The 2020 Convertible bonds are considered as having a host debt instrument and a single compound embedded derivative which is not closely related to the debt host. The Group elected to measure the 2020 Convertible bonds in its entirety at fair value.

As at June 30, 2022, by taking reference to the average quoted bid and ask price in Hong Kong active market, the estimated fair value of the outstanding 2020 Convertible bonds was RMB120,559,000 and the Company recorded RMB23,347,000 gain from change in fair value of the 2020 Convertible bonds in “Change in fair value of convertible bonds” in the condensed consolidated statement of comprehensive loss and the loss from change in foreign exchange rate of RMB5,942,000 in “Other comprehensive loss, net of tax” for the six months ended June 30, 2022.

The directors of the Company assessed the fair value change due to the own credit risk of 2020 Convertible bonds was nil. (Six months ended June 30, 2021: RMB4,864,000).

The bonds holders have the right to require the Group to repurchase for cash all or any portion of their bonds on May 15, 2023 at a repurchase price equal to 106.27% of the principal amount of the bonds, together with interest accrued but unpaid up to but excluding such date. Therefore, the 2020 Convertible bonds was reclassified from non-current liabilities to current liabilities as of June 30, 2022.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

23 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
2021 Convertible bonds (a)	1,691,040	1,561,499
Put option liability (b)	117,715	–
	1,808,755	1,561,499

(a) 2021 Convertible bonds

On June 7, 2021, one of the Group's wholly-owned subsidiaries issued USD300 million (equal to approximately RMB1,929,930,000) of guaranteed convertible bonds (the "2021 Convertible bonds"), which are due for repayment on June 7, 2026. Unless previously redeemed, converted or purchased and cancelled, the 2021 Convertible bonds issuer will redeem each 2021 Convertible bond at 105.11% of its principal amount on the Maturity Date with an implied return rate of 1% per annum.

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition, the liability component is measured at fair value based on the principal payments, discounted at the prevailing market rate of interest for similar non-convertible instruments. The remainder of the proceeds is allocated to the conversion option as the equity component. Transaction costs associated with the issuance of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of proceeds. The liability component is subsequently carried at amortised cost calculated using the effective interest method. The equity component is recognised in the convertible bonds reserve until the convertible bonds are either converted or redeemed.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

23 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST (Continued)

(a) 2021 Convertible bonds (Continued)

The liability and equity components of 2021 Convertible bonds on initial recognition are presented as follows:

	RMB'000
Gross proceeds	1,929,930
Less: Transaction costs	(40,297)
Net Proceeds	1,889,633
Less: Equity component	(366,482)
Liability component on initial recognition	1,523,151

Movement of liability component of the 2021 Convertible bonds is presented as follows:

	Six months ended June 30, 2022 RMB'000 (Unaudited)
Beginning balance	1,561,499
Interest expenses (Note 11)	45,492
Currency translation differences	84,049
Ending balance	1,691,040

(b) Put option liability

As disclosed in Note 36, the Group acquired 51.89% of the equity interests in Xiangxinyun on January 19, 2022 ("the Closing Date"). Shenzhen Tencent Industrial Fund Co., Ltd. ("Tencent") as the existing shareholder of Xiangxinyun originally enjoyed certain preferential rights, including, but not limited to, redemption rights and liquidation preference.

After the Group's acquisition of Xiangxinyun, Tencent's preferential rights were modified that if Xiangxinyun fails to submit application materials for a qualified initial public offering within 60 months after the Closing Date, Tencent shall be entitled to request the Group to repurchase all its equity interests of Xiangxinyun with the price of principal of RMB115,333,000 plus 6% annual interest.

The investment from Tencent is classified as non-controlling interest. In addition, as neither Xiangxinyun nor the Group has the unconditional right to avoid delivering cash or financial assets in other forms when Tencent exercises its redemption right, a financial liability of RMB117,715,000 is recorded at amortized cost based on the estimated future cash outflows as of June 30, 2022.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

24 DISCONTINUED OPERATIONS

(a) Description

The Group provides digital media services to certain customers by providing comprehensive advertisement placement services to the advertisers. The Group charges the advertisers based on or adjusted by specified action such as download, installation or registration of the mobile device user (“cost per action” or “CPA”) and the media publishers charge the Group based on CPM or CPC. The Group is the principal in this arrangement and reports revenue earned from the advertisers and costs paid to the media publishers related to these transactions on a gross basis.

Considering the business operation adjustment for simplifying disadvantaged business and focusing on key business, the Group discontinued the business of digital media services in 2022.

(b) Financial performance and cash flow information

The financial performance and cash flow information relating to digital media services during the six months ended June 30, 2021 and 2022 are set out below.

	Six months ended June 30, 2022 RMB'000 (Unaudited)	Six months ended June 30, 2021 RMB'000 (Unaudited)
Discontinued operations		
Revenue	–	423,708
Cost of sales (a)	–	(417,388)
Gross profit from discontinued operations	–	6,320
Selling and distribution expenses (a)	–	(34,938)
General and administrative expenses (a)	(1,112)	(3,749)
Net impairment losses on financial assets	–	(3,457)
Other income (b)	–	4,582
Operating loss and loss before income tax	(1,112)	(31,242)
Income tax credit	260	7,150
Loss from discontinued operation	(852)	(24,092)
Net cash outflow used in operating activities	(1,112)	(29,862)
Net decrease in cash generated	(1,112)	(29,862)

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

24 DISCONTINUED OPERATIONS (Continued)

(b) Financial performance and cash flow information (Continued)

(a) Expense by nature

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Employee benefits expenses	840	19,524
Promotion and advertising expenses	–	7,400
Advertising traffic cost	–	412,685
Utilities and office expenses	272	1,821
Taxes and surcharges	–	4,703
Others	–	9,942
	1,112	456,075

(b) Other income

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Super deduction of input VAT	–	4,582

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

25 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Non-current		
Deposits – third parties	14,445	15,555
Long term loan receivables due from a related party (Note 34 (c))	5,619	5,619
	20,064	21,174
Current		
Other receivables in relation to prepayment on behalf of advertisers – third parties	770,956	805,341
Prepayments for purchasing advertising traffic	593,356	580,449
Recoverable value-added tax	60,870	75,047
Contract fulfilment cost (Note 7.2(e))	36,659	26,003
Other loan receivables due from third parties	34,937	3,205
Other receivables due from related parties (Note 34(c))	33,779	132,523
Deposits – third parties	30,115	25,011
Prepayments to other vendors	27,986	26,027
Receivables in relation to value-added tax refund (Note 9)	11,940	5,888
Prepayments for contract operation service costs	6,801	9,411
Prepayments for purchasing advertising services	5,447	3,013
Prepayments for rent and property management fee	3,285	3,947
Staff advance	2,599	3,379
Interest receivable from term deposit	1,969	–
Prepayment to related parties (Note 34(c))	229	1,536
Others	15,420	3,699
	1,636,348	1,704,479
Less : Provision for impairment of other receivables	(153,605)	(95,232)
	1,482,743	1,609,247

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

26 TRADE AND NOTES RECEIVABLES

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Trade receivables due from third parties	230,181	333,197
Trade receivables due from related parties (Note 34(c))	34,621	17,624
Notes receivables	38,944	13,481
	303,746	364,302
Less: Provision for impairment of trade and notes receivables	(5,387)	(2,834)
	298,359	361,468

The Group usually grants a credit period of 30 to 90 days to its customers. Aging analysis of trade and notes receivables (before allowance for doubtful debts) based on recognition date is as follows:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
0 – 90 days	285,014	354,446
90 – 180 days	2,362	1,417
over 180 days	16,370	8,439
	303,746	364,302

(a) Impairment of trade and notes receivables

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

As at June 30, 2022 and December 31, 2021, the carrying amounts of trade and notes receivables were primarily denominated in RMB and approximated their fair values at each of the reporting dates.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

27 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Cash at bank	2,871,803	3,801,724
Cash equivalents (i)	8,373	7,270
Cash on hand	15	75
	2,880,191	3,809,069
Maximum exposure to credit risk	2,880,176	3,808,994

(i) Cash equivalents represents cash balances kept in third party payment platform, such as Ali-pay and WeChat account which can be withdrawn by the Group at any time.

Cash and cash equivalents are denominated in the following currencies:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
USD	1,799,746	2,285,550
RMB	986,150	995,451
HKD	93,696	527,926
EUR	222	142
AUD	372	–
JPY	5	–

(b) Restricted cash

As at June 30, 2022, the Group's offshore term deposit of USD77,400,000 (equivalents to RMB519,474,000) has been pledged against domestic bank borrowings of RMB450,000,000.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

28 BANK BORROWINGS

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Short-term bank borrowings	1,513,000	695,000
Letter of credit	50,000	50,000
	1,563,000	745,000

As at June 30, 2022, the Group borrowed secured and unsecured loans as well as unsecured letter of credit of total amount RMB1,563,000,000 (2021: RMB745,000,000), bearing annual average interest rate of 3.99% (2021: 4.30%).

For the six months ended June 30, 2022, the weighted average effective rate for bank borrowings was 4.01% (2021: 4.75%).

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

29 TRADE AND OTHER PAYABLES

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Non-current		
Loan payable to a third party	2,400	2,500
Payable related to business acquisitions	2,906	2,906
	5,306	5,406
Current		
Advance from advertisers – third parties	416,154	477,823
Payroll and welfare payables	380,390	354,132
Payable related to investments	330,192	266,322
Other taxes payable	82,698	73,009
Trade payables for purchasing advertising traffic (a)	40,738	134,349
Commission payable to merchants	20,343	12,876
Deposits	16,841	13,830
Amount due to related parties (Note 34(c))	13,465	241,960
Payable related to factoring cost	4,204	5,195
Auditors' remuneration accrual	3,305	4,968
Payable related to purchase non-controlling interests	2,341	2,341
Other payable and accruals	55,926	50,212
	1,366,597	1,637,017
Total	1,371,903	1,642,423

(a) As at December 31, 2021 and June 30, 2022, the aging of the trade payables is all within 3 months.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

30 SHARE CAPITAL, SHARES HELD FOR RSU SCHEME, TREASURY SHARES AND SHARE PREMIUM

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Total RMB'000
(Unaudited)					
As at January 1, 2022	2,548,460,490	1,716	7,549,147	(1,928)	7,548,935
Cancellation of buy-back shares (a)	(14,783,000)	(10)	(73,893)	–	(73,903)
Transfer of vested RSUs (Note 32)	–	–	–	1,048	1,048
As at June 30, 2022	2,533,677,490	1,706	7,475,254	(880)	7,476,080

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Shares held for RSU scheme RMB'000	Total RMB'000
(Unaudited)					
As at January 1, 2021	2,254,977,427	1,529	4,278,775	(15,819)	4,264,485
Issuance of ordinary shares for RSU Scheme (b)	20,620,000	13	–	(13)	–
Issuance of ordinary shares (b)	156,000,000	99	1,916,595	–	1,916,694
Share issuance costs (c)	–	–	(19,950)	–	(19,950)
Transfer of vested RSUs (Note 32)	–	–	–	9,711	9,711
As at June 30, 2021	2,431,597,427	1,641	6,175,420	(6,121)	6,170,940

(a) During the six months ended June 30, 2022, the Group bought back a total of 14,783,000 ordinary shares that listed on the Stock Exchange of Hong Kong Limited. As at June 30, 2022, all of 14,783,000 bought back ordinary shares were cancelled and deducted from the share capital and share premium within shareholders' equity.

(b) On January 11, 2021, the Company issued 20,620,000 shares to Weimob Teamwork (PTC) Limited for RSU Scheme with nil consideration. The respective share capital amount was approximately RMB13,000. The ordinary shares held for the Company's RSU Scheme were regarded as treasury shares and presented as a deduction in equity as "Shares held for RSU Scheme".

On June 1, 2021, the Company issued 156,000,000 placing shares to certain investors at the placing price of HK\$15.00 per share and raised gross proceeds of approximately HKD2,340,000,000 (equivalent to approximately RMB1,916,694,000). The respective share capital amount was approximately RMB99,000 and share premium arising from the issuance was approximately RMB1,916,595,000.

(c) Share issuance costs that are directly attributable to the issue of the new shares amounting to approximately RMB19,950,000 which were accounted for a deduction against the share premium arising from the issuance.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

31 OTHER RESERVES

	Capital reserves RMB'000	Currency translation differences RMB'000	Financial liabilities measured at fair value RMB'000	Share- based payments RMB'000	Total RMB'000
(Unaudited)					
As at January 1, 2022	(1,177,418)	(12,285)	635	226,135	(962,933)
Currency translation differences	-	(86,751)	-	-	(86,751)
Share-based compensation expenses for employees (Note 32(a))	-	-	-	64,816	64,816
Transfer of vested RSUs (Note 32(a))	-	-	-	(1,048)	(1,048)
Transaction with non-controlling interests (Note 32(b))	-	-	-	2,235	2,235
As at June 30, 2022	(1,177,418)	(99,036)	635	292,138	(983,681)
(Unaudited)					
As at January 1, 2021	(1,177,418)	-	-	71,167	(1,106,251)
Currency translation differences	-	(10,863)	-	-	(10,863)
Change in fair value of financial liabilities from own credit risk	-	-	(4,864)	-	(4,864)
Share-based compensation expenses for employees (Note 32(a))	-	-	-	68,427	68,427
Transfer of vested RSUs (Note 32(a))	-	-	-	(9,711)	(9,711)
Transaction with non-controlling interests (Note 32(b))	-	-	-	1,054	1,054
As at June 30, 2021	(1,177,418)	(10,863)	(4,864)	130,937	(1,062,208)

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

32 SHARE-BASED PAYMENTS

The share-based compensation expenses recognised for the six months ended June 30, 2021 and 2022 are summarised in the following table:

	Six months ended June 30,	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Share-based compensation expenses for employees (a)	64,816	68,427
Share-based compensation expenses for non-controlling interests (b)	4,114	2,496
Sub-total	68,930	70,923

(a) Share-based compensation plans of the Company

The Company has set up one structured entity ("RSU Scheme Trust"), namely Weimob Teamwork, which is solely for the purpose of administering and holding the Company's shares for the RSU scheme adopted before the Listing. Weimob Teamwork has been appointed as the trustee (the "Trustee") pursuant to the trust deed to administrate the RSU Plan immediately after the consummation of the IPO ("Original Option Plan"). Prior to the IPO, Mr. Sun Taoyong is the administrator of the RSU Scheme Trust.

Since the Company's shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited on January 15, 2019, the Company has the power to direct the relevant activities of the RSU Scheme Trust and it has the ability to use its power over the RSU Scheme Trust to affect its exposure to returns. Therefore, the assets and liabilities of the RSU Scheme Trust are included in the Group's consolidated statement of financial position and the ordinary shares held for the Company's RSU scheme were regarded as treasury shares and presented as a deduction in equity as "Shares held for RSU scheme".

On May 25, 2020, the board of the Company approved the adoption of the 2020 Restricted Share Unit Scheme (the "2020 RSU Scheme") to grant awards through RSU Scheme Trust to the Group's employees and business partners including suppliers, customers or any persons who provide the technical support, consultancy or other services to the Group. The number of new shares issued under the 2020 RSU Scheme will be no more than 44,767,320 shares, representing approximate 2% of the total number of the Company's issued shares.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

32 SHARE-BASED PAYMENTS (Continued)

(a) Share-based compensation plans of the Company (Continued)

Movements in the number of RSUs granted and not yet vested is as follows:

	Original Option Plan		2020 RSU Scheme		Total Number of RSUs (in thousand) (Unaudited)
	Number of RSUs (in thousand) (Unaudited)	Weighted Average Fair value per RSU (RMB) (Unaudited)	Number of RSUs (in thousand) (Unaudited)	Weighted Average Fair value per RSU (RMB) (Unaudited)	
As at January 1, 2022	733	6.45	42,299	6.45	43,032
Vested	(434)	4.58	(3,915)	3.50	(4,349)
Forfeited	–	–	(2,443)	4.32	(2,443)
As at June 30, 2022	299	4.58	35,941	4.58	36,240
As at January 1, 2021	4,682	11.73	17,604	11.73	22,286
Granted (i)	1,900	2.41	16,155	14.15	18,055
Vested	(3,879)	14.22	(100)	14.15	(3,979)
Forfeited	(33)	8.70	(1,446)	16.64	(1,479)
As at June 30, 2021	2,670	14.25	32,213	14.25	34,883

(i) The fair value at grant date was determined based on the market price of the Company's shares on that date.

No RSUs were expired during the six months ended June 30, 2021 and 2022.

As at June 30, 2022, the Company granted 123,695,500 RSUs in total, among which 81,898,980 shares were vested and exercisable and 5,556,300 shares were forfeited.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

32 SHARE-BASED PAYMENTS (Continued)

(b) Share-based compensation plans of Wuxi Yazuo and Xiangminiao

The Group acquired 63.83% and 66.98% equity interests in Wuxi Yazuo and Xiangminiao in March 2020 and May 2021, respectively. Pursuant to the relevant share purchase and subscription agreements, each of the co-founders of Wuxi Yazuo and Xiangminiao (collectively the “Subsidiaries”) committed a five-years post-combination services period. If the co-founders resign from the Subsidiaries within five years since the acquisition dates, they shall transfer certain common shares of the Subsidiaries to the Group for free. The number of shares subject to transfer is calculated on a time proportion basis. The post-combination services commitment was treated as service condition of the share-based compensation to the founders, and the fair value of the common shares held by the founders that are probable to vest will be amortised into profit and loss during the 5-year period since the acquisition date.

The fair value of the common shares of Subsidiaries on their acquisition date was developed through the application of the valuation technique which has taken into account purchase price allocation method.

For the six months ended June 30, 2022, the founders have earned back 0.86% and 1.92% common shares of Wuxi Yazuo and Xiangminiao, respectively, and the service expenses amounting to approximately RMB3,469,000 in total was charged to “general and administrative expenses” in the condensed consolidated statement of comprehensive loss and credited to “Non-controlling interests” as consideration was settled by equity of Wuxi Yazuo and Xiangminiao instead of the Company’s common shares, respectively.

The share purchase and subscription agreements also stipulated that if Xiangminiao achieved certain performance target in the two years since the acquisition date, the Group shall transfer 3% common shares of Xiangminiao to the founders for free each year. The achievement of performance target was treated as performance condition of the share-based compensation to the founders. The Company estimated the probability of achieving the performance target of Xiangminiao and amortised the fair value of the common shares that are probable to vest into profit and loss for each tranche during relevant service periods since the acquisition date. For the six months ended June 30, 2022, the service expense amounting to RMB645,000 was charged to “general and administrative expenses” in the condensed consolidated statement of comprehensive loss and credited to “Non-controlling interests” as consideration was settled by equity of Xiangminiao instead of the Company’s common shares.

The difference of RMB2,235,000 between the amount of changes in non-controlling interests and the cost of common share vested is recognised in reserve within equity attributable to owners of the Group.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

33 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at as December 31, 2021 and June 30, 2022 but not recognised as liabilities is as follows:

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Long-term investment	256,700	483,708
Buildings	428,228	–
	684,928	483,708

34 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had significant transaction or balances with the Group for the six months ended June 30, 2021 and 2022:

Name of related parties	Relationship with the Group
Xiaoke	Associate of the Group
Syoo	Associate of the Group
Clipworks	Associate of the Group
Demo	Associate of the Group
Mengyou	Associate of the Group
Xi'an Mengyou (i)	Associate of the Group
Shanghai Beyond Science Technology Co., Ltd. ("Beyond Science")	Non-controlling shareholder of Heading
Mr. Sun	Executive director of the Group
Mr. Bai	Non-controlling shareholder of Wuxi Yazuo

- (i) As disclosed in Note 20(b), Xi'an Mengyou became the Group's associate since 2021. In June 2022, Shanghai Mengju acquired 21.00% equity interests of Xi'an Mengyou held by Pansos. Upon the completion of the transaction on June 30, 2022, the Group owns 70.00% of the total equity interests in Xi'an Mengyou, and Xi'an Mengyou became a subsidiary of the Company.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

34 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

Operating activities:

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Provide subscription solutions service to related parties		
Xiaoke	18,607	5,032
Beyond Science	1,275	318
	19,882	5,350
Purchase of advertising traffic on behalf of a related party		
Xiaoke	2,350	7,469
Purchase of short video services from a related party		
Clipworks	1,064	3,803
Sales commissions paid to related parties as channel partners for subscription solutions service		
Demo	2,340	3,925
Syoo	–	41
	2,340	3,966
Technology service fee charged by related parties		
Beyond Science	506	7,326
Xiaoke	346	1,460
Clipworks	283	–
	1,135	8,786

The prices for the above service fees were determined in accordance with the terms mutually agreed by the contract parties.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

34 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

Non-operating Activities:

	Six months ended June 30,	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Loan to related parties		
Xiaoke	31,000	35,000
Clipworks	2,000	–
Mr. Bai	–	5,619
	33,000	40,619
Interest income from a related party		
Xiaoke	–	1,236
Repayment from related parties		
Xiaoke	129,636	–
Syoo	–	4,000
	129,636	4,000
Payment to a related party due to subscription of new shares		
Xiaoke (i)	229,462	–
Investment in a related party by debt-to-equity swap		
Xiaoke	–	9,000
Compensation received from an executive director related to SaaS sabotage event		
Mr. Sun	–	26,937

(i) In April 2022, the Group settled its investment payable to Xiaoke through netting off with the receivable due from Xiaoke of RMB129,462,000 and cash payment of RMB100,000,000.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

34 RELATED PARTY TRANSACTIONS (Continued)

(c) Period-end balances with related parties

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Trade receivables from related parties		
Xiaoke	28,475	13,662
Syoo	3,962	3,962
Beyond Science	2,184	–
	34,621	17,624
Less: Provision for impairment of other receivable	–	–
	34,621	17,624
Other receivables from related parties		
Trade nature – related to advertising services where the Group acts as agent (net basis revenue)		
Xiaoke	15,779	12,935

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

34 RELATED PARTY TRANSACTIONS (Continued)

(c) Period-end balances with related parties (Continued)

	As at June 30, 2022 RMB'000 (Unaudited)	As at December 31, 2021 RMB'000 (Audited)
Non-trade nature		
Xiaoke	16,000	114,636
Clipworks	2,000	–
Xi'an Mengyou	–	4,550
Syoo	–	402
	18,000	119,588
Total other receivables from related parties	33,779	132,523
Less: provision for impairment of other receivable	–	(1,206)
Total other receivables from related parties	33,779	131,317
Long term receivables from a related party		
Non-trade nature		
Mr. Bai	5,619	5,619
Prepayments to related parties for outsourcing services		
Clipworks	189	–
Syoo	40	–
Beyond Science	–	1,147
Xiaoke	–	389
	229	1,536
Other payables due to related parties		
Beyond Science	7,200	7,200
Xiaoke	–	532
	7,200	7,732
Investment payables due to subscription of new shares of a related party		
Xiaoke (i)	1,562	229,525
Dividend payable		
Beyond Science	4,703	4,703

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

34 RELATED PARTY TRANSACTIONS (Continued)

(c) Period-end balances with related parties (Continued)

Trade receivables from related parties were unsecured, interest-free and repayable on demand.

Loan receivables from Xiaoke, Clipworks and Mr. Bai of RMB16,000,000, RMB2,000,000 and RMB5,619,000 were non-trade in nature, unsecured, interest free and repayable in December 2022, October 2022 and in November 2023, respectively.

Payable to Beyond Science was attributed to technology service fee and was unsecured, interest free and repayable on demand, among which RMB7,200,000 was related to transactions before the Group's acquisition of Heading.

Dividend payable to Beyond Science was attributed to the dividend distributed by Heading in May 2020 before the Group's acquisition of Heading.

According to assessment on recoverability, the amounts due from and to other related parties are neither past due nor impaired. The carrying amounts of the amounts due from and to related parties approximate their fair values and are denominated in RMB.

35 CONTINGENT LIABILITIES

Saved as contingent consideration payable for acquiring Heading disclosed in Note 5.3, the Group did not have any material contingent liabilities as at June 30, 2022.

36 BUSINESS COMBINATION

(a) Acquisition of Xiangxinyun

On Nov 9, 2021, Weimob Development entered into an agreement with the selling shareholders ("Sellers") and Xiangxinyun to purchase 51.89% of the total equity interests in Xiangxinyun with a total consideration of RMB221,950,000, among which RMB141,950,000 will be paid to the Sellers, and RMB80,000,000 will be paid to Xiangxinyun as capital injection. Upon the completion of the transaction on Jan 19, 2022 ("the Closing Date"), the Group owns 51.89% of the total equity interests in Xiangxinyun, and Xiangxinyun became a subsidiary of the Company.

As at June 30, 2022, Weimob Development has paid RMB47,380,000 to the Sellers and RMB20,000,000 for the capital injection. The unpaid consideration of RMB94,570,000 for purchasing existing shares was included under "Trade and other payables" while the unpaid RMB60,000,000 consideration for capital injection was eliminated at the Group level.

Details of the purchase consideration, the net assets acquired and goodwill are as follows. The net assets include the subscription amount of RMB60,000,000 as part of the acquisition transaction.

	RMB'000 (Unaudited)
Purchase consideration	
– By cash	221,950

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

36 BUSINESS COMBINATION (Continued)

(a) Acquisition of Xiangxinyun (Continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	As at Jan 19, 2022 Fair value RMB'000 (Unaudited)
Cash and cash equivalents	7,378
Financial assets at fair value through profit or loss – current	5,000
Contract acquisition cost	1,389
Prepayments, deposits and other assets	70,758
Trade and notes receivables	3,426
Property, plant and equipment	359
Right-of-use assets	801
Intangible assets	1,099
Self-developed software (i)	24,000
Trade payables	(105)
Other payables and accruals	(18,367)
Lease liabilities	(823)
Contract liabilities	(7,055)
Other non-current liabilities (Note 23(b))	(115,333)
Total identifiable net assets	(27,473)
Less: non-controlling interests	12,671
Add: goodwill	236,752
	221,950

The goodwill is attributable to Xiangxinyun's strong position in SaaS retail sector and synergies expected to arise after the acquisition. It has been allocated to the Group's subscription solution CGU. None of the goodwill is expected to be deductible for tax purposes.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

36 BUSINESS COMBINATION (Continued)

(a) Acquisition of Xiangxinyun (Continued)

(i) *Identified intangible assets*

The identified intangible assets for the acquisition primarily consist of self-developed software of approximately RMB24,000,000. They are initially recognised and measured at fair value. The recognition of self-developed software as part of the acquisition arose mainly from the cost saving by owing the self-developed software rather than licensing it. The fair value of self-developed software was developed through the application of the valuation technique which has taken into account the replacement cost method and is amortised on straight-line basis over the estimated useful life of 5 years by taking reference to comparable companies.

(ii) *Revenue and profit contribution*

The acquired business contributed revenues of RMB14,248,000 and net loss of RMB19,742,000 to the Group for the period from January 19, 2022 to June 30, 2022.

If the acquisition had occurred on January 1, 2022, consolidated pro-forma revenue and loss for the six months ended June 30, 2022 would have been RMB901,255,000 and RMB662,692,000, respectively. These amounts have been calculated using the subsidiary's results and adjusting them for the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from January 1, 2022, together with the consequential tax effects.

(b) Acquisition of Xiaomeng Financial

On June 1, 2022, Weimob Development entered into an agreement with the selling shareholders and Xiaomeng Financial to purchase 100% equity interests in Xiaomeng Financial with a total consideration of RMB130,000,000. Xiaomeng Financial has been engaged in financial service business (the "Excluded Business"). In preparation for the Company's IPO, the Group went through a reorganisation and sold the Excluded Business to a 3rd party in 2016.

Upon the completion of the transaction on June 30, 2022, Weimob Development owns 100% equity interests in Xiaomeng Financial and Xiaomeng Financial became a wholly-owned subsidiary of the Company.

As at June 30, 2022, Weimob Development has paid total consideration of RMB130,000,000.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

36 BUSINESS COMBINATION (Continued)

(b) Acquisition of Xiaomeng Financial (Continued)

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000 (Unaudited)
Purchase consideration	
– By cash	130,000

The assets and liabilities recognised as a result of the acquisition are as follows:

	As at June 30, 2022 Fair value RMB'000 (Unaudited)
Cash and cash equivalents	1,456
Prepayments, deposits and other assets	927
Trade and notes receivables	5,548
Right-of-use assets	1,025
Self-developed software (i)	16,004
Trade payables	(7,605)
Other payables and accruals	(4,307)
Lease liabilities	(1,067)
Total identifiable net assets	11,981
Less: non-controlling interests	–
Add: goodwill	118,019
	130,000

The goodwill is attributable to the synergies expected after the acquisition of Xiaomeng Financial. The initial allocation of goodwill has not been completed before June 30, 2022 as the Group just acquired Xiaomeng Financial on June 30, 2022 and needs more time to perform the goodwill allocation. None of the goodwill is expected to be deductible for tax purposes.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED JUNE 30, 2022

36 BUSINESS COMBINATION (Continued)

(b) Acquisition of Xiaomeng Financial (Continued)

(i) *Identified intangible assets*

The identified intangible assets for the acquisition primarily consist of self-developed software of approximately RMB16,004,000. They are initially recognised and measured at fair value. The recognition of self-developed software as part of the acquisition arose mainly from the cost saving by owing the self-developed software rather than licensing it. The fair value of self-developed software was developed through the application of the valuation technique which has taken into account the replacement cost method and is amortised on straight-line basis over the estimated useful life of 3 years by taking reference to comparable companies.

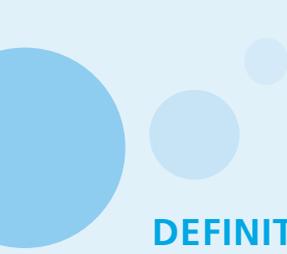
(ii) *Revenue and profit contribution*

The acquired business contributed nil revenues and nil loss to the Group for the period from acquisition date to June 30, 2022 as the acquisition was just completed on June 30, 2022.

If the acquisition had occurred on January 1, 2022, consolidated pro-forma revenue and loss for the six months ended June 30, 2022 would have been RMB928,382,000 and RMB658,912,000, respectively. These amounts have been calculated using the subsidiary's results and adjusting them for the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from January 1, 2022, together with the consequential tax effects.

DEFINITIONS

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Company”	Weimob Inc., an exempted company incorporated in the Cayman Islands with limited liability on January 30, 2018
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Director(s)”	director(s) of the Company
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on January 15, 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“PRC” or “China”	the People’s Republic of China. For the purposes of this interim report only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus of the Company dated December 31, 2018
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	the six months ended June 30, 2022
“RSU”	the restricted stock unit
“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary shares in the share capital of the Company with a par value of US\$0.0001



DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Listing Rules
“Substantial Shareholders Group”	Mr. SUN Taoyong, Mr. FANG Tongshu, and Mr. YOU Fengchun, a group of individuals acting in concert with each other and the single largest shareholder group of the Company

WEIMOB INC. 微盟集團

