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WEIMOB INC.

微盟集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2013)

VOLUNTARY ANNOUNCEMENT ACQUIRING APPROXIMATELY 53.5% EQUITY INTERESTS IN THE TARGET COMPANY

This announcement is made by the Company voluntarily.

The Board is pleased to announce that on March 6, 2024, Shanghai Mengxun Information Technology Co.,Ltd. (“**Shanghai Mengxun**”), a subsidiary of the Company, entered into the Equity Transfer Agreement, the Capital Increase Agreement and the Shareholders’ Agreement with Shanghai Banfan Information Technology Co., Ltd. (the “**Target Company**” or “**Banfan Technology**”) and its Founder Shareholders (who, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, are independent third parties of the Company). Pursuant to the Equity Transfer Agreement and the Capital Increase Agreement, Shanghai Mengxun agreed to (i) acquire approximately 24.4% equity interest in Banfan Technology by way of equity transfer at a consideration of RMB6 million (the “**Transfer**”); and (ii) make capital contribution to Banfan Technology with an amount of RMB25 million, of which RMB625,000 will be used as the additional registered capital of the Target Company, and the rest shall be included in the capital reserve of the Target Company (the “**Capital Increase**”). Upon the completion of the aforesaid Transfer and Capital Increase, Shanghai Mengxun will hold approximately 53.5% equity interest in the Target Company, and as such, the Target Company will become a subsidiary of the Company. The consideration for the aforesaid transaction will be funded by the Company’s internal resource. Pursuant to the Shareholders’ Agreement, Shanghai Mengxun has agreed to grant to the Founder Shareholders a Put Option (the “**Put Option**”), subject to the fulfillment of certain conditions under the Shareholders’ Agreement, the Founder Shareholders are entitled to require Shanghai Mengxun to purchase part or all of their equity interest in the Target Company within the period of the Put Option.

The Group engages in short plays through a strategic investment in and acquisition of Banfan Technology. Upon the completion of the Transaction, both the Company and the Target Company (the “**Parties**”) will complement each other’s advantages, deepen the originality of high-quality contents, enhance the content distribution capability of digital marketing, establish overall short-play business including IP creativity, film and television play productions, finished film distribution and user growth, expand more business scenarios expected to be profoundly empowered by AI, and maximize the bonuses brought by the technological changes.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Banfan Technology and its Founder Shareholders and their respective ultimate beneficial owners are independent third parties. As the exercise of the Put Option is not at the Company's discretion, the grant of the Put Option shall be deemed as if the Put Option had been exercised, accordingly, the Transfer, the Capital Increase and the grant of Put Option in respect of the Transaction shall be aggregated in accordance with the Listing Rules. As the applicable percentage ratios in respect of each of the transactions contemplated under the Transaction are less than 5% on a consolidated basis, the Transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules or a connected transaction of the Company under Chapter 14A of the Listing Rules.

INFORMATION ON THE GROUP

The Group is committed to providing decentralized Subscription Solutions for digital transformation and full-chain-growth Merchant Solutions to accelerate the sustainable growth of merchants' operations. Subscription Solutions for digital transformation cover clothes and fashion, home furnishing materials, food and Fast-Moving Consumer Goods (FMCG), fresh food in shopping malls, commercial real estate, hotels and tourism and other industries, focusing on helping Chinese enterprises to upgrade digitally. Full-chain-growth Merchant Solutions revolves around the horizontal integration and vertical expansion of the marketing segment. Based on deepening the multi-platforms and focusing on the Tencent ecology, Merchant Solutions put efforts into Kuaishou, Xiaohongshu, Alipay, Apple, Google, Meta and other domestic and international mainstream marketing platforms, helping brands to realize global operations and product performance growth and expand more commercialization possibilities with the full-chain operational advantages of "marketing + tools". Moreover, the Group is also actively exploring the development of overseas markets, which will enable the Group to achieve the third growth curve.

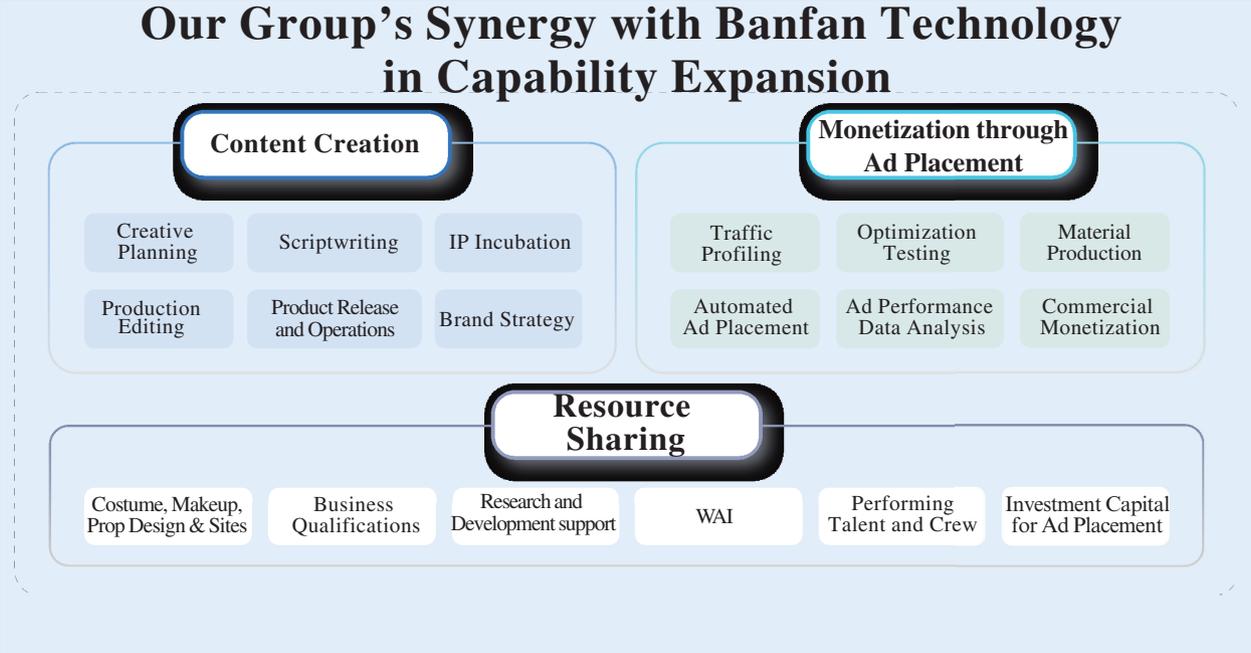
Banfan Technology is a company incorporated in the PRC in March 2022 with limited liability and is principally engaged in film and television production, production and distribution, content platform operation and artist management operation and other businesses.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT AND THE TRANSACTION

(I) Complementing each other (the Group and Banfan Technology), fully establishing competitive advantages in the short play industry

Since 2022, the exploration of short plays in terms of production, distribution and subscription models has gradually matured. Innovative changes in business models have helped the development of short plays embark on the fast development track, remodelling the path of user acquisition, content production and commercialization and monetization in a manner that is closer to the users.

The Group believes that the key success factors of short play operation are content originality, professional traffic advertising and the ability of upstream and downstream linkage. This strategic investment will give full play to the Parties’ complementary advantages to form a full industry chain of short play ecology.



Firstly, high-quality content originality is the core element of short plays. The producer needs to first prejudge the hot content in the market and the content preferences of C-end users in advance, and then decide the type of subjects to be filmed. At the scriptwriting stage, the scriptwriting team needs to write the play plots according to the content needs of C-end users, as well as the characteristics of short plays of “fragmentation and high information density”, and skillfully add lots of foreshadowing and transitions in order to get attractive and interesting contents. While filming and producing, the director team needs to have precise control over the casting of actors, play presentation, garments and cosmetics, sites and props, editing and processing, etc., so as to ensure that the finished film can be in line with the pre-designed play and meet the audience’s preferences.

Mingbai Studio (鳴白工作室) (with the full name of Shanghai Mingbai Culture Communication Co., Ltd. (上海鳴白文化傳播有限公司)), a subsidiary of Banfan Technology, has rich experience in contents. Founded in 2017, Mingbai Studio is an integrated film and television creativity service provider. It has produced more than 100 short plays, with industry-leading content originality and rich production experience. Mingbai Studio has a experienced film and television team with its businesses covering play creativity, IP short play business, film and television play production, TV entertainment brand advertising, MCN business, infomercials, commercial live streaming and other related businesses. It provides customers with full-process services such as creative planning, scriptwriting, IP incubation, filming and producing, post-editing, and finished film release and operation. It has been providing high-quality works for iQIYI, Kuaishou, Tencent, Mango TV, Youku, Dianzhong, China Literature and Tik Tok and other content platforms over a long period. Core members who have officially launched the short play business since the second half of 2020, form one of the earliest team to engage in short play production. The team has won many film and television awards at home and abroad, and has rich experience in popular short play production. Their historical popular works include Luoyang Princess (《洛泱公主》), a Rich Young Lady with the Most Spoils (《團寵千金》), Rebirth of the Young

and Sweet Wife (《重生小甜妻》), My Arrogant Mr Yu (《我的傲嬌御爺》), Princess, Next to Meet You (《王妃, 請多指教! 》), My Girlfriend Who's a Paparazzo (《我的狗仔女友》) and other excellent short plays. Dozens of works created by the Studio have gained nearly 200 million play counts.

Meanwhile, in the field of content production based on short videos, the Group's marketing business has accumulated industry-leading experience and ready-made filming resources. The multi-scenario short video bases in Shanghai and Changsha can be used as direct resource sharing, so as to enhance the efficiency of creativity production and reduce the cost of content production. In the process of providing professional and original short video content and live streaming services to brand customers, the Group's marketing business has built up a professional short video and live streaming operation service team of over 300 persons with monthly output of over tens thousands creative materials and deeply cultivating the barriers of digitally intelligent operations in different industries. With full-chain capabilities such as short video creativity and planning in the early stage, short video shooting and production in the middle stage, editing, processing, and rendering in the last stage, as well as the Group's WAI's application in marketing content production, the Group further enhances the content creation and production efficiency of short plays, forming differentiated competitive advantages.

Secondly, user payments are the main source of income, and the profit model of short plays relies on the precise control of user profiles and traffic advertising. Traditional film and television plays rely on long-video platforms for content distribution. The "centralization" characteristic of long-video platforms means that play producers are not able to perform systematic classification analysis of the audience, and it is also difficult to differentiate and iterate the contents. Now, as the core traffic conversion carriers of short plays, mini programs offer distributors the opportunity to accurately analyze the behaviors and characteristics of short play audience. In consideration of the audience's actions and conversion curves when they are watching plays, distributors can gain a deeper and more comprehensive understanding of the audience's real-time feedback on the contents.

In addition, through the accumulation of multi-dimensional and real-time user data, the distributor can flexibly choose the media to purchase traffic and deploy the traffic resources in traffic operation with the help of a professional traffic advertising operation team. Moreover, it can distinctively and accurately purchase traffic on different short-video platforms for specific contents, so as to realize the optimal match between contents and users and attract users to mini programs or other applications to watch and pay for plays, completing the last challenge of commercialization. In the long term, the insight and accumulation of user preferences can help dynamically optimize the traffic advertising model and long-term operation strategies, maximize the user retention rate, and increase the return rate of the short play business.

In the field of traffic advertising monetization, the Group has mature full-chain, full-domain and complete marketing solutions, and it has accumulated rich experience in traffic advertising and has access to domestic mainstream short video platforms such as WeChat Video Channel, Kuaishou, Xiaohongshu, Tik Tok, Xigua and Huoshan Short Video. The annual short video output of the Group's marketing business can reach more than 100,000, covering more than ten industries such as internet services, finance, e-commerce, cosmetic medicine, education, insurance, social contact and automobile, helping more than a hundred brand merchants realize performance growth. Therefore, the Group accumulates

a wealth of experience in the short video industry and scenarios. By virtue of full-domain and full-chain marketing solutions and tools, the professional traffic advertising team in the marketing area will continuously optimize the advertising model according to the target scenarios and growth strategies, and obtain the accurate user profile, data conversion attribution and category word cloud. Based on the content trends of media platforms, the team adjusts the content distribution mechanism for different user bases, and screens out high-converting materials and the corresponding user profiles by leveraging professional advertising effect analysis tools and attracts old users to reconsume, so as to maximize the effect of long-tail conversions and achieve high-precision matches between the established content materials and potential consumers. The Group believes that the traffic operation team of the Group's marketing business has accumulated a framework and experience in analyzing the traffic advertising for C-end users, and it is able to expand its advantages to the traffic advertising of the short play business.

Thirdly, the short play business as a whole is a long-term operation of content and traffic, which focuses on the matching model between cost control and input-output ratio. It has gradually established a sustainable mechanism with a virtuous cycle. Through refined operation, the Group will effectively control the pre-production investment and improve the economic model of a single project on the basis of guaranteeing the presentation of the plots; take advantage of the upstream and downstream linkage of the whole industry chain to explore the optimal feedback model from the contents, materials, channels to audience, so as to send the feedback on the real-time market demand to the content production; and flexibly utilize such combined strategies as distribution, self-production and co-investment to improve the efficiency of cash flow, thus enhancing the overall profitability of the project.

After combining the Group's capacities with those of Banfan Technology, the Group will possess high-quality content originality andurate control of user profiles, and build a long-term mechanism with a virtuous cycle by upstream and downstream linkages. Therefore, it will gain long-term and combined advantages through the combination of the return curves of a number of projects and a competitive edge that will make it stand out from its peers in the industry. In the future, Banfan Technology will focus on exploring excellent creative ideas and content production at home and abroad, and the Group will provide a professional traffic advertising team, short video production experience, shooting sites, WAI model and R&D technical support. The Parties' teams will cooperate closely to perfect the production and traffic advertising, analyze user data and traffic advertising attribution timely, and provide profound user insight to support future content creation. They also can gain opportunities for traffic advertising of the exclusive high-quality contents, introduce advanced production experience and process in the short play industry, and further expand the business scenarios based on the short-video carrier in the future. Based on both Parties' full resource sharing, the Group will gain linkage advantages in the whole industry chain of content creation, short play production and traffic advertising marketing, which can maximize the optimal allocation of resources, achieve upstream and downstream strategic collaboration, and build a long-term circular mechanism for contents and traffic.

(II) Long-term development trend of the short play industry

Trend 1: driven by demands and supply reform, the booming short play industry

Short videos have a large user base and a high penetration rate and the contents of short plays cater to consumers' current preferences, thereby creating a good growth space for acquiring users and potential market shares. According to the Research Report on the Development of Online Audiovisual Content in China in 2023 issued by China Internet Network Information Center, the number of short video users had reached 1,012 million, representing a year-on-year increase of 77.7 million and accounting for 94.8% of the total online users as of December 2022, The average daily usage time per capita for short video users reaches 168 minutes, significantly surpassing that of other applications. This huge potential user base provides strong support for the commercialization and monetization of short plays. Moreover, "film and television subjects" are just the most popular short video contents. The short episode, high information density, and mass entertainment of short play contents align well with consumers' fast-paced lifestyles, and cater to their desire for entertainment by using the fragmented time. As the short plays mature in key business aspects such as production, distribution, and subscription, the industry is poised for rapid growth. According to iiMedia Research, the market size of short plays reached RMB37.4 billion in 2023, representing a nearly tenfold increase from 2021. It is expected to be more than RMB50 billion in 2024.



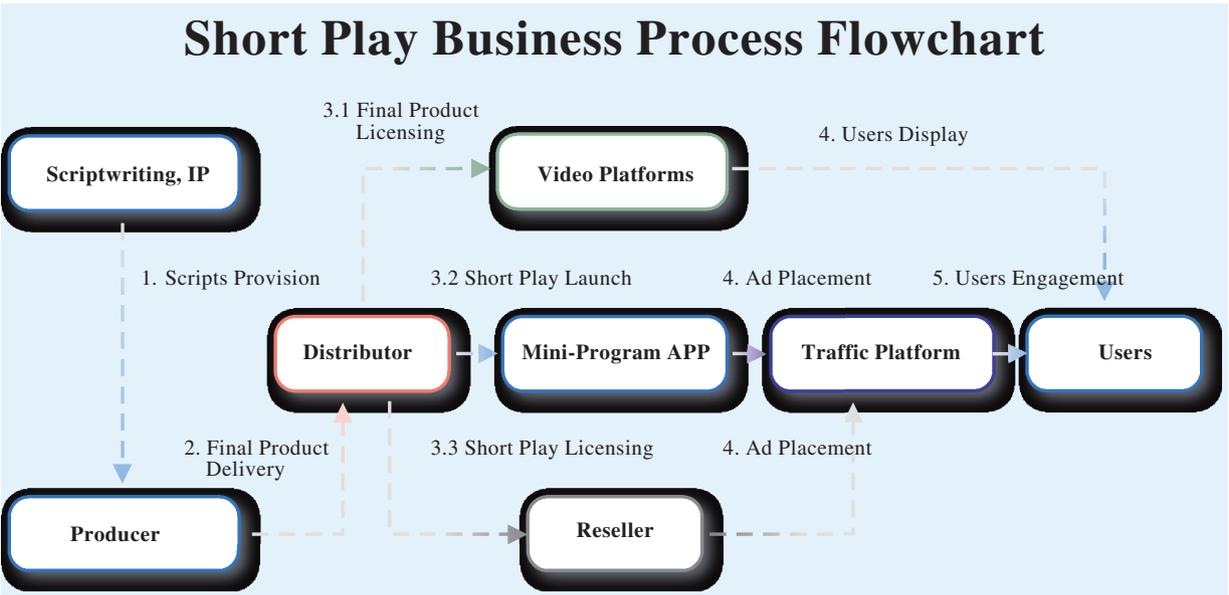
On the content supply side, the light subscription model of short plays shortens the investment cycle and significantly improves the accuracy of creation positioning and efficiency of commercialization and monetization. The supply side of traditional film and television plays is relatively separate from users. Approving a single project usually takes a year or more. The investment costs of a project are high and content orientation can only be decided by producers and scriptwriters. As a result, the speed of content production is unable to keep pace with the changes in user preferences, and the efficiency of content production and monetization is low. The production model of short plays that utilize mini programs for monetization, resembles Customer to Manufacturer (C2M). It boasts a fast and production speed and flexibility, changing the creation ways of traditional film and television works with high investment, long period, and large scale. By efficiently adjusting the upstream production targets based on the feedback from downstream traffic advertising

data, the efficiency of content monetization is significantly improved. In addition, both film and television plays and micro short plays heavily rely on platform revenue sharing. They competed for content procurement budgets and exposure on the platforms. Platforms such as WeChat, Tik Tok, and Kuaishou have provided traffic support for short plays in mini programs. Currently, these platforms are gradually opening up to be interconnected, enabling a smooth pathway for the commercialization and monetization of short plays. Based on the diverse short videos and precise user profile positioning, short plays can achieve precise content advertising through algorithm optimization, timely adding volume, or stopping losses. In addition, mini programs have efficient payment and conversion capabilities. Therefore, short plays significantly enhance the efficiency of commercialization and monetization through the complete pathway of creation, traffic advertising, display, click, payment and data.

The large user base on the demand side and the content and format which suit the mind of users have directly lowered the acquisition threshold for users of short plays in mini programs greatly, which generates a strong demand for short play content and drives market growth. The improving new content production chain on the supply side, along with the connection between traffic advertising and creation, has promoted a shift toward a demand-driven content production market, which directly enhances the production efficiency and final monetization efficiency of contents. Driven and matched by the supply side and the demand side, a growing blue ocean market for short plays is created.

Trend 2: Industry standards established, offering growth opportunities for players with original contents and professional traffic advertising

The short play industry chain is maturing, encompassing multiple stages such as scriptwriting, shooting, and distribution. Scripts are created originally or purchased from external sources. The editors in charge shall review and add compelling elements to create the scripts of a short play. Then the professional production team shall shoot, produce, and edit based on the scripts, delivering the finished play. Finally, the distributor shall release the play on video platforms, mini programs, or media platforms like the short play App, attracting short play users through traffic advertising and reputation fusion promotion. Various monetization methods are employed, including subscription membership fees, user recharges, pre-play, in-play and post-play adverts and brand placement.



With the rapid development of the short play industry, the government specifies the persons in charge of auditing and introduces a series of requirements regarding content restrictions and operation qualifications. Currently, industry policies and platform specifications have been fully implemented, and market rules and systems have been improved, thereby eliminating uncertainties. Companies in the industry are now operating according to regulations, and the industry is propelled onto a steadily and soundly developing fast track. Additionally, platforms have introduced essential qualification requirements, including the Permit for Production and Operation of Radio and TV Programs (《廣播電視節目製作經營許可證》), the License for Online Transmission of Audio-Visual Programs (《信息網絡傳播視聽節目許可證》), the Network Culture Business License (《網絡文化經營許可證》) and the Value-added Telecommunications Business License (《增值電信經營許可證》), thus forming a relatively high entry threshold.

Obtaining standardized business qualifications is the primary threshold for the industry, which requires players to possess sufficient funds, abundant industry resources, and essential experience engaging in the industry. The overall quality of competitive short plays will be enhanced significantly. The works in the industry will trend towards high-quality presentation. Market concentration may be higher. Therefore, professional players equipped with standardized business qualifications, content creation capabilities, and traffic advertising operation capabilities will take the lead in the industry.

(III) Upon the completion of the transaction, the Group will expand its business presence and leverage technologies for long-term gains.

As a leading digital marketing group in China, the Group is committed to exploring and expanding new commercialization scenarios, and driving marketing upgrades through cutting-edge technologies. It successfully applies AIGC technology in diversified marketing scenarios, including copywriting, pictures, short videos, and other creative materials. The Transaction will maximize the complementary advantages of the Parties in content creation and marketing technology, and help the Group seize opportunities during the rapid development of short plays and exploring the growth curve of new businesses.

1. Reusing the precise traffic advertising capability across the entire domain, and forming the growth curve of new business scenarios

As the market is growing rapidly, short plays represent the reshuffling of the attention economy in the short video era. Content distribution and traffic operation serve as the fundamental value in the short play industry chain. With Banfan Technology's hot content creation capabilities and the Group's rich experience in traffic advertising of the marketing business and advantageous organizing capacity, the Group can produce targeted traffic advertising materials according to the content of short plays, adjust its traffic advertising strategies and optimize the profitability model of short plays. In addition, short plays boast various monetization modes based on short videos, including user payments, and potential revenue generated from advertisements and other contents. The Group can leverage contents to attract and retain users, steadily develops its active user base and gain first-hand consumer insights, thus laying a solid foundation of diversified content monetization modes. Through direct consumer connections and persistent data accumulation, the Group will explore synergies with its existing businesses, bolster its marketing business and retail business, and conduct derivative businesses such as producing customized short plays for brands and selling products with short plays.

2. *Expanding the commercial application scenarios of Weimob WAI, unlocking commercial potential and reforming content production methods*

The Group has continued to focus on large-scale technological revolution. The marketing sector has proven to be one of the best scenarios for the implementation of large-scale AI model technology over the past year. The Group's independently developed WAI has been effectively applied in marketing content creation. The recently introduced Sora and other large-scale video generation models can understand complex plots, characters, and descriptions of scenes, and the creativity adhering to the laws of physics, which will reshape the short video marketing and content creation industry. Additionally, WAI is exploring deeper into the functions of AI-generated videos. Technological innovation is poised to directly alter the operational modes of various production factors within the industry. Manpower and capital are gradually being replaced by technology and data, while commercial application scenarios can facilitate the effective implementation of technologies and the accumulation of creative data. The more commercial application scenarios possessed by a company, along with more varied needs arising from such scenarios, the more capacities it will possess to maximize the unlocking of the business potential of new technologies while technical changes are coming. As a digital marketing service provider with numerous commercial scenarios, the Group will further expand its commercial application scenarios through investing in the short play business. In the future, the Group will leverage WAI's capabilities to generate short video contents and creative materials for advertising efficiently and cost-effectively, which will closely integrate with the entire production chain, including content production, ad placement, and data retrieval, so as to produce effectively and fit with the users' scenarios driven by digital creativity and technological innovation.

3. *The expansion of short plays into international markets to accumulate traffic and content for overseas marketing, thereby facilitating the development of international businesses*

Internationalization is one of the important strategies of the Group. Significant progress has been made in the international businesses, especially in the international businesses of Heading Information, a company invested in and acquired by the Group in 2020, and we have accumulated a number of customers from North America, Southeast Asia and Europe. The Group will continue to dedicate to increasing its product and service offerings targeted at overseas markets. Given the global reach and impact of short videos, the overseas expansion of short plays has emerged as a major trend. This trend cannot be overlooked due to the vast number of overseas users, low competition and users' strong willingness to pay. Moreover, the spreading effect and popularity of short plays have attracted ardent attention from users in Europe, America, Southeast Asia, and other regions. The Group has cooperated with major foreign mainstream media, such as Google, Facebook, Tik Tok, and Apple Ads. In the future, leveraging the traffic marketing experience of overseas social media, the Group is expected to attract various users, increase the market share of overseas short plays, and expand the scale of the Group's overseas traffic advertising, which is complementary to the overseas marketing business.

In the future, the Group will continue exploring innovative businesses empowered by cutting-edge technologies. It aims to build a full-chain marketing ecosystem covering content production, ad placement, and data flow, enable WAI's video generation technology to implement more business scenarios, and maximize the bonuses brought by technological innovation, thus providing more business benefits to customers and partners in the ecosystem.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company
“Capital Increase Agreement”	the Capital Increase Agreement entered into between Shanghai Mengxun and Banfan Technology and its Founder Shareholders on March 6, 2024
“Company” or “Weimob”	Weimob Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2013)
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the Equity Transfer Agreement entered into between Shanghai Mengxun and Banfan Technology and its Founder Shareholders on March 6, 2024
“Founder Shareholders”	Zhang Wei (張為) and Zhu Linli (朱林麗), who, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, are independent third parties of the Company
“Group”	the Company and its subsidiaries
“Heading Information”	Shanghai Heading Information Engineering Co., Ltd.* (上海海鼎信息工程股份有限公司), a company established in PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

“PRC” or “China”	the People’s Republic of China. For the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders’ Agreement”	the shareholders’ agreement entered into between Shanghai Mengxun and Banfan Technology and its Founder Shareholders on March 6, 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Listing Rules
“Tencent”	Tencent Holdings Limited, a limited liability company organized and existing under the laws of the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700) and/or its subsidiaries
“Transaction”	the transaction in respect of Shanghai Mengxun acquiring approximately 53.5% equity interests in Banfan Technology
“%”	per cent

By Order of the Board
Weimob Inc.
SUN Taoyong
Chairman of the Board and Chief Executive Officer

Shanghai, the PRC
March 6, 2024

As at the date of this announcement, the Board comprises Mr. SUN Taoyong, Mr. FANG Tongshu, Mr. YOU Fengchun and Mr. GUO Junxian as executive Directors; and Mr. LI Xufu, Mr. TANG Wei and Ms. XU Xiao’ou as independent non-executive Directors.

* *For identification purpose only*