

Mobvista

匯量科技有限公司

Mobvista Inc.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1860

GLOBAL OFFERING

Joint Sponsors and Joint Global Coordinators



Joint Bookrunners



Joint Lead Managers



IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

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(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the : 318,867,000 Shares (subject to the Over-allotment Global Offering Option)

Number of Hong Kong Offer Shares : 31,888,000 Shares (subject to reallocation)

Number of International Offer Shares : 286,979,000 Shares (subject to reallocation and the Over-allotment Option)

Maximum Offer Price : HK\$5.10 per Share, plus brokerage fee of 1%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)

Nominal value : US\$0.01 per Share

Stock code : 1860

Joint Sponsors and Joint Global Coordinators



UBS



招銀國際
CMB INTERNATIONAL

Joint Bookrunners



UBS



招銀國際
CMB INTERNATIONAL



AMTD 尚乘



建銀國際
CCB International



海通國際
HAITONG



興證國際
INDUSTRIAL SECURITIES INTERNATIONAL

Joint Lead Managers



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招銀國際
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建銀國際
CCB International



海通國際
HAITONG



興證國際
INDUSTRIAL SECURITIES INTERNATIONAL

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix V to this prospectus has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be offered, sold, delivered, pledged or transferred within the United States, except that Offer Shares may be offered, sold or delivered to qualified institutional buyers in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with the restrictions of, Rule 144A or another exemption from registration requirements of the U.S. Securities Act. The Offer Shares may be offered, sold or delivered outside the United States in offshore transactions in accordance with Regulation S.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around December 5, 2018 and, in any event, not later than December 11, 2018, or such other date as agreed between parties. The Offer Price will be no more than HK\$5.10 per Offer Share and is currently expected to be no less than HK\$3.90 per Offer Share, unless otherwise announced. If, for any reason, the Offer Price is not agreed by December 11, 2018, or such other date as agreed between parties between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The Joint Global Coordinators may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative offer price range below as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) and on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.mobvista.com not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Details of the arrangement will then be announced by us as soon as practicable. See "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination" in this prospectus.

November 30, 2018

EXPECTED TIMETABLE⁽¹⁾

Latest time to complete electronic applications under
White Form eIPO service through the designated
website at **www.eipo.com.hk**⁽²⁾ 11:30 a.m. on
Wednesday, December 5, 2018

Application lists open⁽³⁾ 11:45 a.m. on
Wednesday, December 5, 2018

Latest time to lodge **WHITE** and **YELLOW** Application Forms 12:00 noon on
Wednesday, December 5, 2018

Latest time to complete payment for **White Form eIPO** applications
by effecting internet banking transfers or PPS payment transfers 12:00 noon on
Wednesday, December 5, 2018

Latest time to give **electronic application instructions** to HKSCC⁽⁴⁾ 12:00 noon on
Wednesday, December 5, 2018

Application lists close 12:00 noon on
Wednesday, December 5, 2018

Expected Price Determination Date⁽⁵⁾ Wednesday, December 5, 2018

Announcement of:

- the Offer Price;
- the level of indications of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocation of the Hong Kong Public Offering

is expected to be published (a) in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese); and (b) on the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.mobvista.com**⁽⁶⁾ on or before Tuesday, December 11, 2018

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels (see the section headed "How to Apply for Hong Kong Offer Shares — 11. Publication of Results") from Tuesday, December 11, 2018

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) will be available at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID" function Tuesday, December 11, 2018

EXPECTED TIMETABLE⁽¹⁾

Despatch of Share certificates or deposit the Share certificates in to CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before⁽⁷⁾⁽⁸⁾⁽⁹⁾ Tuesday, December 11, 2018

Despatch of refund cheques and White Form e-Refund payment instructions in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before. Tuesday, December 11, 2018

Dealings in the Shares on the Stock Exchange expected to commence on Wednesday, December 12, 2018

Notes:

- (1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates. Details of the structure of the Global Offering, including its conditions, are set out in the section headed “Structure of the Global Offering” in this prospectus.
- (2) You will not be permitted to submit your application through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, December 5, 2018, the application lists will not open and close on that day. For more details, see the section headed “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in this prospectus. If the application lists do not open and close on Wednesday, December 5, 2018 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the “Expected Timetable”, we will make an announcement in such event.
- (4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed “How to Apply for Hong Kong Offer Shares — 6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS” in this prospectus.
- (5) We expect to determine the Offer Price by agreement with the Joint Global Coordinators (on behalf of the Underwriters) on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, December 5, 2018, and, in any event, not later than Tuesday, December 11, 2018. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (on behalf of the Underwriters) and the Company by Tuesday, December 11, 2018, the Hong Kong Public Offering and the International Offering will not proceed and will lapse. Notwithstanding that the Offer Price may be fixed at below the maximum offer price of HK\$5.10 per Share payable by applicants for Hong Kong Offer Shares under the Hong Kong Public Offering, applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$5.10 for each Share, together with the brokerage fee of 1%, a Stock Exchange trading fee of 0.005% and a SFC transaction levy of 0.0027% but will be refunded the surplus application monies as provided in the section headed “How to Apply for Hong Kong Offer Shares.”
- (6) None of the website or any of the information contained on the website forms part of this prospectus.
- (7) Share certificates for the Offer Shares will become valid certificates of title at 8:00 a.m. on Wednesday, December 12, 2018 provided that (i) the Global Offering has become unconditional in all respects and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid certificate of title do so entirely at their own risk.
- (8) e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s Hong Kong Identity Card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong Identity Card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s Hong Kong Identity Card number or passport number before cashing the refund cheque. Inaccurate completion of an applicant’s Hong Kong Identity Card number or passport number may lead to delays in encashment of, or may invalidate, the refund cheque.
- (9) Applicants who have applied on **WHITE** Application Forms or White Form eIPO for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offering and have provided all required information may collect refund cheques (where applicable) and/or share certificates (where applicable) in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong between 9:00 a.m. to 1:00 p.m. on Tuesday, December 11, 2018. Applicants being individuals who are eligible for personal collection may not authorise any other person to make collection on their behalf. Applicants being corporations who are eligible for personal collection must attend through their authorised representatives bearing letters of authorisation from their corporation stamped with the corporation’s chop. Both individuals and authorised representatives of corporations must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

EXPECTED TIMETABLE⁽¹⁾

Applicants who have applied on **YELLOW** Application Forms for 1,000,000 or more Hong Kong Offer Shares under the Hong Kong Public Offering may collect their refund cheques, if any, in person but may not elect to collect their share certificates as such share certificates will be deposited into CCASS for the credit of their designated CCASS participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section headed "How to Apply for the Hong Kong Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies — If you Apply Via Electronic Application Instructions to HKSCC" in this prospectus for details. Uncollected share certificates and refund cheques will be despatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for the Hong Kong Offer Shares — 13. Refund of Application Monies" and "How to Apply for the Hong Kong Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies" in this prospectus.

The above expected timetable is a summary only. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, December 5, 2018, the application lists will not open and close on that day. Please refer to the section headed "How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists" in this prospectus. You should refer to the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus and the Application Forms must not be relied on by you as having been authorized by us, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, employees, agents or representatives of any of them or any other parties involved in the Global Offering. Information contained on our website at www.mobvista.com does not form part of this prospectus.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. Because this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary of Technical Terms” in this prospectus.

BUSINESS OVERVIEW

We are a leading technology platform providing mobile advertising and mobile analytics services to the app developers globally. We help app developers better acquire users, monetize their apps and understand the performance of their apps and behavior of their users on our mobile advertising platform and mobile analytics SaaS platform.

According to the iResearch Report, we ranked:

- among the top ten in the world, the second in Asia and the largest in China in terms of monetization SDK average DAUs in the first half of 2018; and
- the largest third-party advertising platform in terms of providing user acquisition services during the five months ended June 30, 2018 to the top 50 PRC apps by number of overseas downloads in 2017.

We provide user acquisition and monetization services on our mobile advertising platform. App developers who need to acquire users for their apps are our advertisers. We provide these advertisers user acquisition services to conduct cost-efficient mobile advertising campaigns for them across a variety of media and charge them based on advertising performance. App developers who need to monetize their apps through offering mobile ad space in their apps (which we refer to as ad inventories) are our publishers. We provide these publishers monetization services and deliver ads suitable and of interest to their users to fill the ad inventories in their apps.

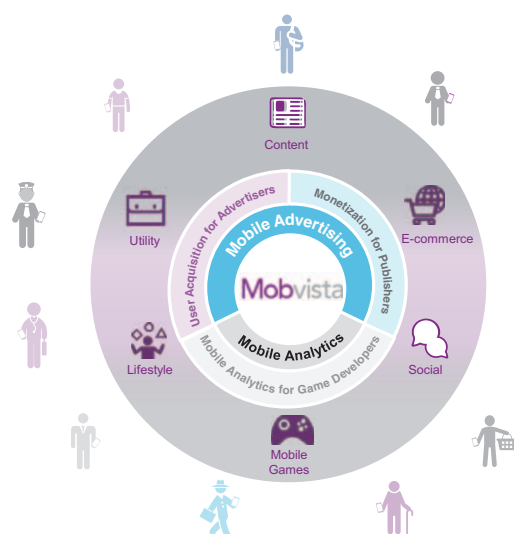
We provide mobile analytics services on our mobile analytics SaaS platform. App developers who need to understand the performance of their apps and behaviors of their users are our mobile analytics users. Our mobile analytics services are provided as an analytical tool that enables game developers to monitor and analyze various aspects of game player data. We currently provide our mobile analytics services free of charge and for mobile game developers only.

All of our services are empowered by our proprietary data technology and enabled by our big data AI system which serve as the foundation of our service offerings. Our big data AI system is designed to serve as a central back-end system to store, process and analyze device data. The system is supported by our optimized architecture and strong computation capabilities, which can currently process billions of features continuously and update new AI algorithm models in seconds. In addition, we have developed a machine learning framework that can analyze billions of changing device feature data and implement model updates every few seconds, thereby adapting on a real-time basis to actual device data to achieve performance optimization. The responsiveness of our system is critical for us to deliver ads efficiently and accurately and succeed in the mobile advertising industry. We also have a highly scalable and reliable IT infrastructure built on a microservice, serverless and auto-scaling architecture, which supports and optimizes our operations to allow us to cover ad deliveries in more than 200 countries with up to 25 million ad delivery requests per minute with an average response time of approximately 25 milliseconds.

SUMMARY

We believe that our business operation is underpinned by our capabilities and innovation in research and development. We have been dedicated to the enhancement of our Mintegral platform and optimization of our big data AI system. In 2015, 2016, 2017 and the six months ended June 30, 2018, we recorded research and development expenses of US\$2.3 million, US\$7.4 million, US\$18.9 million and US\$12.2 million, respectively. For details of our efforts in the research and development, see “Business — Research and Development” in this prospectus. In addition, we believe our strong cross-media campaign management expertise and wide coverage of top media and long-tail media are important factors that our advertisers choose us to conduct non-programmatic advertising campaigns.

OUR ECOSYSTEM



Note: Icons inside the circle, including content, utility, lifestyle, mobile games, social and e-commerce, represent various types of apps that act as our advertisers or publishers.
Icons of figures outside the circle represent users of various types of apps installed on mobile devices.

At the center of our business model is a dynamic ecosystem that is formed by app developers, who are our advertisers, publishers and mobile analytics service users, and mobile device users connected through our mobile advertising and mobile analytics SaaS platforms. Mobile device users are both: (i) existing users of developers using our services, and (ii) advertiser audience and potential new users. App developers may have multiple roles as advertisers, publishers and mobile analytics users at the same time. An app developer may be an advertiser in the early stage of its life cycle or as such need arises throughout its life cycle to acquire new users. When such app developer has established its user base, it may also become a publisher to sell ad inventory to other app developers. Throughout the app’s life cycle, the app developer may also need analytical tools that help it monitor and analyze user behaviors and improve the app. Our ecosystem enables us to meet the needs of various types of app developers globally as they evolve through the life cycle of their respective apps for user acquisition, monetization and mobile analytics.

Although we derived substantially all of our revenues from the provision of user acquisition services to advertisers during the Track Record Period, our monetization and mobile analytics services are critical to our ecosystem and its continued growth. Our monetization services allow us to continuously collect and analyze massive amounts of device data, which enable us to provide more customized services for our advertisers, improve the monetization efficiency for our publishers and enhance our mobile analytics services through our big data and AI capabilities. Our mobile analytics SaaS platform contributes to our mobile advertising platform by expanding our publisher and advertiser base and contributing game data to our database to segment game player audiences for more relevant and effective advertising.

SUMMARY

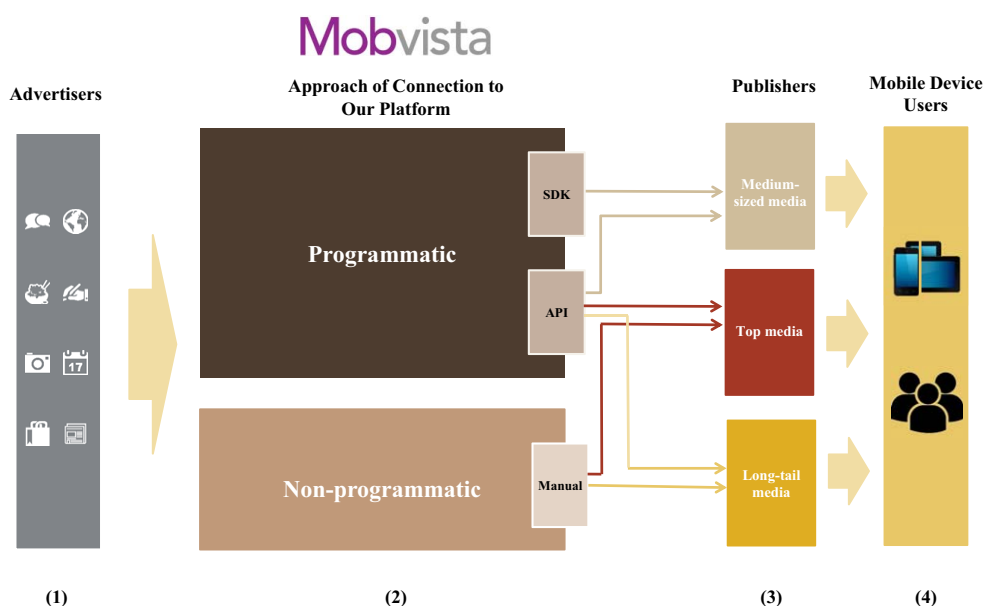
OUR PLATFORM

Our Mobile Advertising Platform

Overview of Our Mobile Advertising Platform

Our mobile advertising platform provides one-stop services to mobile app developers around the world for their needs of user acquisition and monetization. It serves both advertisers, whom we charge for our user acquisition services, and publishers, to whom we pay traffic acquisition costs for placing ads on their ad inventories. A substantial majority of our pricing models we use to charge our advertisers were performance-based and measured by CPI. We typically use CPI as the pricing model for paying our medium-sized media and long-tail media publishers, and use CPM, or cost per mille (based per one thousand impressions of the ad), as the pricing model for paying our top media publishers and a small portion of our medium-sized media publishers for traffic acquisition costs. We also use CPC, or cost per click (based on the number of clicks of the ad), as the pricing model for paying a small portion of our top media publishers.

The following chart describes the general process of how our advertisers' ads are delivered to mobile device users through our mobile advertising platform.



Notes:

- (1) We conduct campaigns for our advertisers to deliver ads through publishers to mobile device users.
- (2) Publishers connect to our platform either programmatically or non-programmatically. The use of Mintegral SDK, API or manual approach to connect to our platform depends on the technical sophistication of and is at the discretion of each specific publisher. For details of how programmatic and non-programmatic advertising is achieved, see "Business — Our Platform — Our Mobile Advertising Platform — Programmatic and Non-programmatic Advertising" in this prospectus.
- (3) We categorize mobile media publishers on our mobile advertising platform into three categories: (i) top media (major online media publishers such as Facebook and Google that offer ad inventories through their proprietary ad platforms), (ii) medium-sized media (medium-sized mobile apps without their own proprietary ad platforms and connect to our platform programmatically), and (iii) long-tail media (ad networks or other small-sized media publishers). For details of how our mobile advertising platform connects advertisers and publishers across a variety of media, namely top media, medium-sized media and long-tail media, see "Business — Our Mobile Advertising Platform — Categories of Mobile Media Publishers" in this prospectus.
- (4) Publishers offer mobile ad inventories for advertisers to present ads to mobile device users.

SUMMARY

Mobile User Acquisition Services for Advertisers

We provide user acquisition services to our advertisers by planning, launching and managing mobile advertising campaigns to help them acquire users on top media, medium-sized media and long-tail media. We generally sign a framework advertising agreement with each of our advertisers or its advertising agency and sign an ad campaign insertion order with them under the agreement for each campaign. During the campaign planning stage, we identify the targeted audience, targeted media, and time and duration of campaign after discussion with the advertiser and based on the advertiser's requirement. After the launch of campaign, we deliver the ads to our publishers for them to present to the users of their apps. We continuously monitor and analyze performance metrics and optimize campaign performance with our big data and AI technology and campaign management expertise.

From our inception to June 30, 2018, we delivered ads to over 7 billion unique mobile devices cumulatively. Our advertisers are mainly PRC developers for apps that target overseas users. The number of our advertisers reached over 600, 1,700, 1,900 and 1,600 in 2015, 2016 and 2017 and in the six months ended June 30, 2018, respectively.

Monetization Services for Publishers

We provide monetization services to our publishers by connecting them with advertisers on our platform and matching their available mobile ad space in their apps (which we refer to as ad inventories) to the suitable types of ads for their users. We provide monetization services to top media, medium-sized media and long-tail media. In mobile advertising industry, ad inventories are produced every time when there is user access of the app and need to be offered to advertisers for presenting ads to users instantaneously, or otherwise will be forfeited. We believe that our monetization services are crucial to helping our publishers achieve better monetization results, although we do not charge them for our monetization services. We act as a monetization service provider to our publishers to help them achieve better monetization results through our big data and AI capabilities, proprietary Mintegral SDK or API (in case of programmatic advertising) and campaign management expertise, rather than merely as an intermediary purchasing ad inventories from them for our advertiser. The number of our publishers reached over 1,900, 4,000, 6,000 and 2,900 in 2015, 2016, 2017 and in the six months ended June 30, 2018, respectively. The cumulative number of apps that had integrated our Mintegral SDK reached over 50, 1,000, 3,500 and 5,300 as of December 31, 2015, 2016, 2017 and June 30, 2018, respectively. The average DAUs of our Mintegral SDK increased from 15.6 million in 2015 to 72.8 million in 2016 and reached over 240.0 million in 2017. The average DAUs of our Mintegral SDK reached 203.7 million in the six months ended June 30, 2017 and 327.4 million in the six months ended June 30, 2018.

Our Mobile Analytics SaaS Platform

GameAnalytics is our mobile analytics SaaS platform that provides comprehensive game data analytical tools for game developers. Game Analytics ApS was established in 2011 and acquired by us in 2016. GameAnalytics meets the demands for specialized game mobile analytics services from game developers, especially the increasing number of medium-sized and small-sized developers who do not have the ability to develop their own analytic tools. By integrating our GameAnalytics SDK into their mobile games, game developers can monitor and analyze various aspects of game player data, including new users, DAU, ARPPU, ARPPU, user retention, conversion rate, and average session length, through the web-based customizable GameAnalytics dashboard. GameAnalytics constitutes an essential part of our ecosystem, providing game developers with a complete and unified platform to acquire, analyze, retain, and monetize

SUMMARY

game players in real time to maximize the developers' ROI across the entire service stack together with our user acquisition and monetization services. GameAnalytics also contributes to our mobile advertising platform by expanding our publisher and advertiser base, and producing game data to our database to segment game player audiences for more relevant and effective advertising subject to the privacy requirements of each jurisdiction in which we operate. GameAnalytics is a software service licensed on a subscription basis. We currently do not charge game developers for our mobile analytics services on GameAnalytics but they may become one of our sources of revenues in the future.

As of June 30, 2018, over 19,000 game developers in over 130 countries used GameAnalytics to track game data in over 49,000 games by integrating GameAnalytics SDKs cumulatively. GameAnalytics SDK average DAUs reached over 19.0 million, 27.0 million, 53.0 million and 75.2 million in the fourth quarter of 2015, 2016 and 2017, and in the second quarter of 2018, respectively. GameAnalytics SDK average DAUs increased from 32.0 million in the six months ended June 30, 2017 to 70.2 million in the six months ended June 30, 2018.

Our Customers and Suppliers

Our customers are app developers that need third-party services to help them conduct mobile advertising campaigns to acquire users. Our customers choose to use our user acquisition services due to our wide media coverage, our expertise in cross-media mobile campaign management and our robust big data and outstanding AI capabilities supported by strong IT infrastructure. Such will enable them to achieve optimized campaign performance and help them acquire potential users more effectively. Our top five customers accounted for 52.5%, 18.3%, 19.2% and 46.7% of our revenues for each of the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, respectively.

Our suppliers are primarily app developers that offer ad inventories for mobile advertising and need third-party service to help them match their available ad space to ad campaigns conducted by advertisers. Our suppliers also include network and IT service providers that provide Internet infrastructure services such as cloud computing. Our top five suppliers accounted for 14.7%, 14.1%, 18.9% and 40.7% of our total costs of sales for each of the years ended December 31, 2015, 2016, 2017 and the six months ended June 30, 2018, respectively. We provide both mobile user acquisition services and monetization services to app developers. Therefore, some of our customers who use our mobile user acquisition services are also our suppliers who supply ad inventories or vice versa.

Our Financial Highlights

During the Track Record Period, our total revenues increased from US\$167.2 million in 2015 to US\$313.0 million in 2017, representing a CAGR of 36.8%. Our total revenues were US\$184.5 million in the six months ended June 30, 2018, as compared to US\$172.3 million in the six months ended June 30, 2017. Our profit increased from US\$8.7 million in 2015 to US\$27.3 million in 2017, representing a CAGR of 77.1%. Our profit was US\$10.1 million in the six months ended June 30, 2018, as compared to US\$20.2 million in the six months ended June 30, 2017.

SUMMARY

The following table sets forth a breakdown of our mobile advertising revenues by purchasing model for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Programmatic	11,687	7.4	79,976	29.9	114,376	36.7	62,211	36.3	88,234	47.8
Non-programmatic	146,566	92.6	187,616	70.1	197,668	63.3	109,294	63.7	96,185	52.2
Total	158,253	100.0	267,592	100.0	312,044	100.0	171,506	100.0	184,419	100.0

The following table sets forth a breakdown of our mobile advertising services revenues by app type for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Game	20,522	13.0	72,085	26.9	113,443	36.4	64,446	37.6	39,514	21.4
Content and social	12,285	7.8	41,364	15.5	56,319	18.0	28,164	16.4	86,209	46.7
E-commerce	12,969	8.2	37,666	14.1	51,215	16.4	29,077	17.0	24,979	13.5
Utility	101,484	64.1	73,019	27.3	47,364	15.2	25,354	14.8	11,561	6.3
Lifestyle	3,823	2.4	25,973	9.7	24,085	7.7	13,619	7.9	8,756	4.7
Other	7,169	4.5	17,484	6.5	19,618	6.3	10,845	6.3	13,400	7.3
Total	158,253	100.0	267,592	100.0	312,044	100.0	171,506	100.0	184,419	100.0

The following table sets forth a breakdown of our mobile advertising services revenues by geographic region for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Greater China ⁽¹⁾	122,047	77.1	135,279	50.6	140,076	44.9	75,446	44.0	118,527	64.3
Americas ⁽²⁾	9,324	5.9	49,957	18.7	61,681	19.8	36,467	21.3	17,557	9.5
Southeast Asia ⁽³⁾	5,806	3.7	15,509	5.8	29,371	9.4	12,402	7.2	11,600	6.3
Europe ⁽⁴⁾	4,783	3.0	17,936	6.7	20,510	6.6	14,753	8.6	8,959	4.9
Rest of Asia ⁽⁵⁾	12,995	8.2	30,327	11.3	41,904	13.4	24,811	14.5	19,031	10.3
Rest of the world ⁽⁶⁾	3,297	2.1	18,584	6.9	18,502	5.9	7,627	4.4	8,745	4.7
Total	158,253	100.0	267,592	100.0	312,044	100.0	171,506	100.0	184,419	100.0

Notes:

(1) Includes PRC, Hong Kong, Macau and Taiwan.

(2) Primarily includes United States and Canada.

SUMMARY

- (3) Includes Singapore, Vietnam, Indonesia, Thailand, Malaysia, Cambodia, Myanmar and Philippines.
- (4) Primarily includes United Kingdom, Switzerland, Germany, Netherlands, Spain, France, Italy and Ireland.
- (5) Includes other countries and regions in Asia, excluding Southeast Asia and Greater China.
- (6) Primarily includes Argentina, Cyprus and Armenia.

OUR INDUSTRY AND COMPETITIVE LANDSCAPE

Global Mobile Advertising Market

According to the iResearch Report, the proportion of time spent on mobile devices out of total time spent on all media worldwide was 20.3% in 2013, while mobile advertising spending contributed only 4.1% of total advertising spending. These numbers reached 30.4% and 21.5% in 2017, respectively, and are expected to reach 40.8% and 35.4% in 2022, respectively, indicating a rapid increase in mobile advertising spending to fill the gap. As a result, total mobile advertising spending increased from US\$20.2 billion in 2013 to US\$142.5 billion in 2017 at a CAGR of 63.1%, and is projected to further increase to US\$316.5 billion in 2022 at a CAGR of 17.3%. According to the iResearch Report, programmatic advertising is becoming increasingly prevalent as it matches advertisers and media more efficiently and effectively through technology. Spending on programmatic advertising by mobile app advertisers increased significantly from US\$1.7 billion in 2013 to US\$27.3 billion in 2017 at a CAGR of 100.4%, and is expected to further increase to US\$69.0 billion in 2022 at a CAGR of 20.4%.

According to the iResearch Report, advertising spending by North American app developers remains the top among developers around the world, followed by Chinese app developers. In addition, advertising spending by Chinese developers has increased significantly from US\$1.2 billion in 2013 to US\$21.5 billion in 2017 at a CAGR of 107.5% and is estimated to reach US\$54.3 billion in 2022 at a CAGR of 20.4% from 2017. Additionally, mobile advertising spending in Southeast Asia is expected to grow significantly from less than US\$0.1 billion in 2013 to US\$2.5 billion in 2022.

Global Mobile Analytics Service Market

Mobile analytics services are gaining increasing attraction from app developers, especially mobile game developers. Driven by the rise of China's mobile games market and the development of mobile games in other fast-growing markets in Asia like Japan, Korea and Southeast Asia, global mobile game revenues increased from US\$18.6 billion in 2013 to US\$46.2 billion in 2017 at a CAGR of 25.5%, and is expected to further increase to US\$67.2 billion in 2022 at a CAGR of 7.8%.

See "Industry Overview" in this prospectus.

OUR STRENGTHS

We believe that the following strengths have contributed to our success to date:

- Leading technology platform for mobile advertising and mobile analytics with global business scale;
- Outstanding programmatic advertising capabilities;
- Robust big data and outstanding AI capabilities;
- Proprietary mobile analytics SaaS platform;
- Extensive global footprint with strong local service capabilities;
- Leading technology capabilities with highly scalable and reliable IT infrastructure;
- Sizable and diverse advertiser and publisher base; and
- Visionary and experienced management team with international backgrounds.

See "Business—Our Strengths" in this prospectus.

SUMMARY

OUR STRATEGIES

We plan to further implement the following strategies:

- Continue to implement our “Glocal” operating model by enhancing our local service capabilities and expanding our global footprint;
- Expand the scale and scope of our business with app developers;
- Explore opportunities for our mobile analytics SaaS platform;
- Continue to strengthen our data and technology advantages;
- Attract, retain and develop exceptional employees; and
- Integrate industry resources through strategic investments and mergers and acquisitions.

See “Business—Our Strategies” in this prospectus.

RISK FACTORS

Our business and the Global Offering involve certain risks, which are set out in the section headed “Risk Factors” in this prospectus. You should read that section in its entirety carefully before you decide to invest in the Offer Shares. Some of the major risks we face include: (i) we have a short operating history and are subject to risks and uncertainties associated with operating in a rapidly developing and evolving industry, and our limited operating history makes it difficult to evaluate our business and prospects; (ii) we generate our revenues almost entirely from advertising services we provide, and if we fail to retain existing advertisers and publishers, deepen or expand our relationships with advertisers and publishers, or attract new advertisers and publishers, our financial condition, results of operations and prospects may be materially and adversely affected; (iii) if the mobile advertising industry fails to continue to develop, or develops more slowly than expected, our profitability and prospects may be materially and adversely affected; (iv) as our costs increase, we may not be able to generate sufficient revenues to sustain profitability; (v) if we fail to compete effectively we could lose advertisers, publishers or mobile analytics users, and our revenues may decline; and (vi) our business is subject to complex and evolving PRC and foreign laws and regulations which are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

OUR HISTORY AND SHAREHOLDING STRUCTURE

Our history traces back to 2013, when our mobile advertising business operations commenced through our predecessor operating entities, MNC HK and Guangzhou Gamo. By the end of 2014, we migrated our businesses conducted through MNC HK and Guangzhou Gamo into our current subsidiaries and started to establish an offshore red-chip holding structure in anticipation of the planned offshore financing activities, whereby NetEase (Hong Kong) Limited was introduced as our private equity investor in January 2015. Since May 2015, in light of the favorable regulatory policy and market conditions in China, we unwound our offshore holding structure and adopted a PRC onshore holding structure with Guangzhou Mobvista as our onshore holding vehicle, whereby we completed two rounds of onshore private equity financing and listed Guangzhou Mobvista on NEEQ in November 2015. We continued to grow substantially since then. In particular, we acquired nativeX, LLC and Game Analytics ApS, which operate a native advertising platform and an SaaS game data analytics platform for game developers, respectively; and we, through two rounds of share placements, attracted investments totaling RMB532.2 million in 2016. For purposes of enabling a listing on the Stock Exchange of our core business, since April 2018, we underwent the Reorganization by adopting a new offshore holding structure and spun-off our core subsidiaries and operations into our current Cayman listing vehicle, a wholly owned subsidiary of Guangzhou Mobvista.

SUMMARY

As of the date of this prospectus, Guangzhou Mobvista, through its wholly-owned subsidiary Seamless, indirectly owns 94% of our issued share capital. Mr. Duan, one of our co-founders, is interested in an aggregate of 35.11% interest in Guangzhou Mobvista, being the single largest shareholder of Guangzhou Mobvista. As such, Seamless, Guangzhou Mobvista and Mr. Duan are our Controlling Shareholders as of the date of this prospectus. Immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme), Guangzhou Mobvista, through Seamless, will indirectly own 74.3% of our enlarged issued share capital. Mr. Duan is expected to remain as the single largest shareholder of Guangzhou Mobvista. Accordingly, Seamless, Guangzhou Mobvista and Mr. Duan will remain as our Controlling Shareholders upon Listing. As of the Latest Practicable Date, apart from their interests in our Company, none of Seamless, Guangzhou Mobvista, and Mr. Duan had any interest in a business that competes or is likely to compete, either directly or indirectly, with our Group's business.

SUMMARY OF FINANCIAL INFORMATION

The following table sets forth a summary of our financial information for the three years ended on December 31, 2015, 2016, 2017 and six months ended June 30, 2018, and should be read together with the combined financial information in Appendix I to this prospectus, including the notes thereto. Our combined financial information has been prepared in accordance with IFRS.

Summary Combined Statements of Comprehensive Income

The following table sets forth a summary of our combined statements of profit or loss for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Revenues	167,207	100.0	283,923	100.0	312,956	100.0	172,333	100.0	184,451	100.0
Costs of sales	(144,361)	(86.3)	(214,848)	(75.7)	(230,097)	(73.5)	(124,321)	(72.1)	(145,171)	(78.7)
Gross profit	22,846	13.7	69,075	24.3	82,859	26.5	48,012	27.9	39,280	21.3
Selling and marketing expenses	(1,379)	(0.8)	(4,489)	(1.6)	(6,443)	(2.1)	(3,212)	(1.9)	(3,035)	(1.6)
Research and development expenses	(2,339)	(1.4)	(7,359)	(2.6)	(18,934)	(6.1)	(6,861)	(4.0)	(12,229)	(6.6)
General and administrative expenses	(8,850)	(5.3)	(34,885)	(12.3)	(28,682)	(9.2)	(15,812)	(9.2)	(14,171)	(7.7)
Other net income	13	0.01	584	0.2	1,804	0.6	752	0.4	1,674	0.9
Profit from operations	10,291	6.2	22,926	8.1	30,604	9.8	22,879	13.3	11,519	6.2
Finance costs	(100)	0.1	(759)	(0.3)	(189)	(0.1)	(54)	(0.0)	(231)	(0.1)
Profit before taxation	10,191	6.1	22,167	7.8	30,415	9.7	22,825	13.2	11,288	6.1
Income tax	(1,480)	(0.9)	(2,386)	(0.8)	(3,095)	(1.0)	(2,622)	(1.5)	(1,157)	(0.6)
Profit for the year/period	8,711	5.2	19,781	7.0	27,320	8.7	20,203	11.7	10,131	5.5
Reconciliation of profit from operations to EBITDA and adjusted EBITDA										
Profit from operations	10,291	6.2	22,926	8.1	30,604	9.8	22,879	13.3	11,519	6.2
Add:										
Depreciation	77	0.05	342	0.1	635	0.2	261	0.2	337	0.2
Amortization	583	0.3	2,007	0.7	813	0.3	311	0.2	813	0.4
EBITDA	10,951	6.5	25,275	8.9	32,052	10.2	23,451	13.6	12,669	6.9

SUMMARY

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Add:										
Share-based compensation expenses	2,916	1.7	4,459	1.6	3,230	1.0	2,347	1.4	391	0.2
One-off expenses related to acquisitions	—	—	316	0.1	447	0.1	237	0.1	34	0.0
Listing expenses	—	—	—	—	—	—	—	—	1,887	1.0
Non-IFRS measures⁽¹⁾										
Adjusted EBITDA⁽²⁾	<u>13,867</u>	<u>8.3</u>	<u>30,050</u>	<u>10.6</u>	<u>35,729</u>	<u>11.4</u>	<u>26,035</u>	<u>15.1</u>	<u>14,981</u>	<u>8.1</u>

Notes:

- (1) We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that such measures provide useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as it helps our management. The use of such measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. See “Financial Information — Non-IFRS Measures” in this prospectus.
- (2) We define adjusted EBITDA as EBITDA (which is profit from operations plus depreciation and amortization expenses) for the period adjusted by adding share-based compensation, one-off acquisition-related expenses and listing expenses.

Summary Combined Statements of Financial Position

The below table sets forth a summary of our combined statements of financial position as of the dates presented:

	As of December 31,			As of	As of
	2015	2016	2017	June 30,	September 30,
				2018	2018
(US\$ in thousands)					(unaudited)
Current assets:					
Trade receivables and other receivables	57,764	102,346	118,132	172,948	137,345
Restricted cash	104	121	47,618	345	—
Cash and cash equivalents	8,864	71,884	44,797	34,742	19,715
Current tax recoverable	—	5	266	757	770
Total current assets	<u>66,732</u>	<u>174,356</u>	<u>210,813</u>	<u>208,792</u>	<u>157,830</u>
Current liabilities:					
Trade and other payables	45,312	167,150	180,958	170,221	91,858
Current taxation	3,007	7,893	7,263	1,659	3,196
Bank loans	5,368	5,710	7,587	17,939	36,402
Total current liabilities	<u>53,687</u>	<u>180,753</u>	<u>195,808</u>	<u>189,819</u>	<u>131,456</u>
Net current (liabilities)/assets	<u>13,045</u>	<u>(6,397)</u>	<u>15,005</u>	<u>18,973</u>	<u>26,374</u>

SUMMARY

As of December 31, 2016, we recorded net current liabilities of US\$6.4 million. Such negative position was primarily due to US\$167.2 million in trade and other payables we recorded as of the same date, including US\$85.4 million in amounts due to related parties, i.e. Seamless and Guangzhou Mobvista, as a result of then intra-group financing arrangements. These amounts were included in the current Group's financial statements on combined basis, and is expected to be settled by way of cash repayment or capitalization before listing. See "Financial Information — Material Related Party Transactions" in this prospectus.

As of June 30, 2018, we had a total of US\$29.0 million goodwill, which primarily arose from our acquisition of native, LLC and Game Analytics ApS in 2016. Goodwill constitute a significant portion of our total assets on our combined statements of financial position as of June 30, 2018. The value of goodwill are based upon a number of assumptions made by our management, and if any of the assumptions does not materialize, or if our performance of business is not consistent with such assumptions, we may need to record impairment losses, which could in turn adversely affect our results of operations. See "Financial Information — Critical Accounting Policies, Judgments and Estimates — Impairment of Goodwill", and "Risk Factors — Risks Relating to Our Business and Industry — Impairment of goodwill may negatively affect our results of operation" in this prospectus.

Summary Combined Statements of Cash Flows

The below table sets forth a summary of our combined statements of cash flows for the periods presented:

	For the year ended December 31,			For the six months ended June 30,	
	2015	2016	2017	2017	2018
	(US\$ in thousands)			(unaudited)	
Net cash (used in)/generated from operating activities.	(12,694)	31,425	49,198	36,300	(1,555)
Net cash used in investing activities	(2,698)	(31,811)	(71,518)	(10,082)	(3,860)
Net cash generated from/(used in) financing activities.	<u>24,011</u>	<u>62,934</u>	<u>(4,698)</u>	<u>44</u>	<u>(4,621)</u>
Net increase/(decrease) in cash and cash equivalents	8,619	62,548	(27,018)	26,262	(10,036)
Cash and cash equivalents at the beginning of the year/period	—	8,864	71,884	71,884	44,797
Effects of foreign exchange rate changes . .	<u>245</u>	<u>472</u>	<u>(69)</u>	<u>(156)</u>	<u>(19)</u>
Cash and cash equivalents at end of the year/period.	<u>8,864</u>	<u>71,884</u>	<u>44,797</u>	<u>97,990</u>	<u>34,742</u>

We recorded negative cash flow from our operating activities of US\$12.7 million for the year ended December 31, 2015. Such cash outflow was largely due to increase in trade and other receivables of US\$58.2 million. At an early stage of our business operations, we were primarily revenue-driven, focusing more on attracting new customers and generating revenues than on collecting trade receivables in a timely manner. In addition, as an emerging market player in 2015 with relatively low bargaining power, we were in a weaker position to negotiate for favorable credit terms, which also negatively affected our cash flow in the same period. We recorded negative cash flow from our operating activities of US\$1.6 million for the six months

SUMMARY

ended June 30, 2018. Such cash outflow was primarily due to (i) increased incentives paid to a certain number of high quality publishers by cash and (ii) increased salaries and benefits paid to our research and development personnel by cash throughout the period. See “Financial Information — Liquidity and Capital Resources — Cash Flow — Net cash generated from/(used in) operating activities” in this prospectus.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2015	2016	2017	2017	2018
Profitability ratios					
Gross profit margin ⁽¹⁾	13.7%	24.3%	26.5%	27.9%	21.3%
Net profit margin ⁽²⁾	5.2%	7.0%	8.7%	11.7%	5.5%
EBITDA margin ⁽³⁾	6.5%	8.9%	10.2%	13.6%	6.9%
Adjusted EBITDA margin ⁽⁴⁾	8.3%	10.6%	11.4%	15.1%	8.1%

Notes:

- (1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Net profit margin is calculated based on profit for the period divided by revenue and multiplied by 100%.
- (3) EBITDA margin equals EBITDA divided by revenues for the period and multiplied by 100%.
- (4) Adjusted EBITDA margin equals adjusted EBITDA divided by revenues for the period and multiplied by 100%.

Our gross profit margin for mobile advertising services decreased from 27.8% in the six months ended June 30, 2017 to 21.3% in the six months ended June 30, 2018, primarily due to (i) increased incentives offered certain strategically important high quality publishers to incentivize them to integrate our Mintegral SDKs and (ii) increased server costs related to our programmatic advertising services as we further built up our business. We plan to cease to offer cash incentives in the first quarter of 2019.

Although we recorded decreased net profit and negative operating cash flow for the six months ended June 30, 2018, our Directors are of the view, which the Joint Sponsors concur, that it is not adversely indicative of our business sustainability and liquidity as a whole, on the basis that, our revenue is expected to continuously grow further attributable to the business expansion and our profitability to gradually improve. See “Financial Information — Period-to-Period Comparison of Results of Operation — Six Months Ended June 30, 2018 Compared to Six Months Ended June 30, 2017” and “Financial Information — Liquidity and Capital Resources” in this prospectus.

DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. We have no pre-determined dividend payout ratio and dividend policy providing for any fixed or expected future dividend distribution, and therefore our Board has absolute discretion to recommend any dividend. Any future decision to declare and pay any dividends will be decided at the general meeting of the Company and will depend on, among other things, the availability of dividends received from our subsidiaries, our earnings, capital and investment requirements, level of indebtedness, and other factors that our Board deems relevant.

For the year ended December 31, 2016, Guangzhou Ruisou and Shenzhen Huirui declared dividends of US\$5.2 million and US\$0.5 million, respectively to their then shareholders. For the year ended December 31, 2017, MIT HK declared a dividend of US\$150,000 to its then shareholders. No dividend has been declared nor paid by our Company since our establishment on April 16, 2018.

Dividends declared in the past are not indicative of our future dividend policy. Our Board has the absolute discretion to recommend any dividend.

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GLOBAL OFFER STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 318,867,000 Shares are issued pursuant to the Global Offering; and (ii) 1,518,867,000 Shares are issued and outstanding following the completion of the Global Offering.

	Based on an Offer Price of HK\$3.90	Based on an Offer Price of HK\$5.10
Market capitalization of our Shares ⁽¹⁾	HK\$5,923,581,300	HK\$7,746,221,700
Unaudited pro forma adjusted net tangible asset per Share ⁽²⁾ . . .	HK\$0.94	HK\$1.17

Notes:

- (1) The calculation of market capitalization is based on 1,518,867,000 Shares expected to be in issue immediately upon completion of the Global Offering.
- (2) The unaudited pro forma adjusted net tangible assets share is calculated after the adjustments referred to in Appendix II to this prospectus and on the basis that 1,518,867,000 Shares are expected to be in issue immediately upon completion of the Global Offering.

LISTING EXPENSES

Listing expenses consist primarily of underwriting commission and professional fees, and are estimated to be approximately US\$11.4 million (assuming an Offer Price of HK\$4.50 per Share, being the mid-point of the indicative offer price range stated in this prospectus), of which (i) approximately US\$1.9 million has been charged to our combined statements of profit or loss during the Track Record Period, and (ii) approximately US\$2.6 million is expected to be charged to our combined statements of profit or loss and US\$6.9 million is expected to be capitalized in the second half of 2018.

The listing expenses above are the latest practicable estimate and are provided for reference only, and actual amounts may differ. Our Directors do not expect listing expenses to be incurred after the Track Record Period to have a material and adverse impact on our financial results for the year ending December 31, 2018.

USE OF PROCEEDS

Assuming an Offer Price of HK\$4.50, being the mid-point of the Offer Price range stated in the prospectus, we estimate that we will receive net proceeds of approximately HK\$1,360.61 million (equivalent to approximately US\$173.76 million), after deduction of underwriting commissions and estimated expenses in connection with the Global Offering. If the Over-allotment Option is exercised in full, we estimate that we will receive additional net proceeds of approximately HK\$208.76 million (after deducting underwriting fees and estimated expenses in connection with the Global Offering), assuming an Offer Price of HK\$4.50 per Share, being the mid-point of the Offer Price range stated in this prospectus.

Our Directors intend to apply the net proceeds from the Global Offering as follows:

- Approximately HK\$408.18 million (approximately 30% of the total estimated net proceeds) to enhance our strengths in big data and AI technologies and IT infrastructure;
- Approximately HK\$408.18 million (approximately 30% of the total estimated net proceeds) to enhance and improve the services on our mobile advertising and mobile analytics platform;
- Approximately HK\$136.06 million (approximately 10% of the total estimated net proceeds) to continue to implement our “Glocal” strategy by enhancing our local service capabilities and expanding our global footprint;

SUMMARY

- Approximately HK\$272.12 million (approximately 20% of the total estimated net proceeds) to make additional strategic investments and acquisitions to expand our ecosystem;
- Approximately HK\$136.06 million (approximately 10% of the total estimated net proceeds) for general working capital.

RECENT DEVELOPMENTS

For the eight months ended August 31, 2018, ads from our user acquisition services and monetization services reached an average of approximately 913.7 million mobile device users per day and 2.5 billion mobile devices per month, representing a 119.7% and 66.1% increase from the same period in 2017. Subsequent to June 30, 2018 and up to August 31, 2018, ads from our user acquisition services and monetization services reached an average of approximately 906.8 million mobile device users per day and 2.4 billion mobile devices per month, representing a 89.6% and 70.8% increase from the same period in 2017. For the eight months ended August 31, 2018, GameAnalytics SDK had average DAUs of 74.6 million, compared to 34.1 million in the same period in 2017. Subsequent to June 30, 2018 and up to August 31, 2018, GameAnalytics SDK had average DAUs of 87.5 million, compared to 40.1 million in the same period in 2017. The average DAUs of our Mintegral SDK increased by 48.3% from 218.6 million in eight months ended August 31, 2017 to 324.3 million for the eight months ended August 31, 2018. Subsequent to June 30, 2018 and up to August 31, 2018, the average DAUs of our Mintegral SDK reached 315.0 million, representing a 20.0% increase from 262.6 million in the same period in 2017. In addition, as of August 31, 2018, a total number of 829 app developers used our monetization services through Mintegral SDK integration.

For the eight months ended August 31, 2018, we recorded revenue of US\$260.9 million, increasing by 18.7% compared to US\$219.9 million for the same period in 2017. Subsequent to June 30, 2018 and up to August 31, 2018, we recorded revenue of US\$76.4 million, increasing by 60.8% compared to US\$47.5 million for the same period in 2017. Subsequent to June 30, 2018 and up to August 31, 2018, our profit also increased compared to the same period in 2017. The financial information for the eight months ended August 31, 2018 and two months ended August 31, 2018 was extracted from the unaudited interim financial statements of the Group prepared by the Directors in accordance with IAS 34 “Interim Financial Reporting,” which were reviewed by our reporting accountants, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

Our Directors confirm that, as of the date of this prospectus, saved as disclosed above, there had been no material adverse change in the financial conditions or prospects of our Group since June 30, 2018, the end of the period reported on in the Accountants’ Report set out in Appendix I to this prospectus, and there had been no event since June 30, 2018 and up to the date of this prospectus which could materially affect the information shown in the Accountants’ Report.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following words and expressions shall have the following meanings. Certain technical terms are explained in the section headed “Glossary of Technical Terms” in this prospectus.

“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s), or where the context so requires, any of them, relating to the Hong Kong Public Offering
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company conditionally adopted on October 30, 2018 with effect from Listing, as amended from time to time (a summary of which is set forth in Appendix III to this prospectus)
“Asia”	the continent Asia, and excluding Israel in terms of rankings in the iResearch Report
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“Capitalization Issue”	the issue of Shares on the Listing Date by way of the capitalization of certain sums standing to the credit of the share premium account of our Company to the holders of Shares whose names appear on the register of members of our Company at the close of business on the business day preceding the Listing Date in proportion to their then existing respective shareholdings in our Company as referred to in the section headed “Share Capital — Capitalization Issue” in this prospectus
“CAGR”	compound annual growth rate
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant

DEFINITIONS

“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “PRC”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this prospectus, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Mobvista Inc. (匯量科技有限公司), an exempted company with limited liability incorporated in the Cayman Islands on April 16, 2018
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Seamless, Guangzhou Mobvista and Mr. Duan
“Director(s)”	the director(s) of our Company
“Duanshi Investment”	Duanshi Industrial Investment (Guangzhou) Co., Ltd.* (段氏實業投資(廣州)有限公司), a company established in the PRC on July 21, 2017 and indirectly wholly-owned by Mr. Duan
“Employee RSU Scheme”	the restricted share unit scheme of the Company approved and adopted by our Board on September 27, 2018 and amended on November 19, 2018, the principal terms of which are set out in the section headed “Statutory and General Information — E. Share Incentive Schemes — 1. RSU Schemes — 1A. Employee RSU Scheme” in Appendix IV to this prospectus
“Employee RSU Trustee”	Sovereign Trustees Limited, an independent and professional trustee appointed by our Company to act as the trustee of the Employee RSU Scheme

DEFINITIONS

“EU”	the European Union
“EUR”	Euros, the lawful currency of the European Union
“GAAP”	generally accepted accounting principles
“Game Rating and Administrative Committee”	the South Korean video game central rating board
“GDPR”	the General Data Protection Regulation
“Guangzhou Gamo”	Guangzhou Gamo Information Technology Limited* (廣州動觀信息科技有限公司), a company established in the PRC with limited liabilities on November 1, 2013, one of our predecessor operating entities and deregistered in December 2017
“Guangzhou Huichun”	Guangzhou Huichun Industrial Investment Co., Ltd.* (廣州匯淳實業投資有限公司), a company established in the PRC with limited liabilities on July 19, 2017 and indirectly wholly-owned by Mr. Cao
“Guangzhou Huishang”	Guangzhou Huishang Information Technology Co., Ltd.* (廣州匯商信息技術有限公司), a company established in the PRC with limited liability on June 28, 2018 and a direct wholly-owned subsidiary of Guangzhou Mobvista within the Retained Guangzhou Mobvista Group
“Guangzhou Huitao”	Guangzhou Huitao Technology Co., Ltd.* (廣州匯韜信息科技有限公司), a company established in the PRC with limited liability on March 30, 2012 and the predecessor of Guangzhou Mobvista
“Guangzhou Jianda”	Guangzhou Jianda Internet Technology Co., Ltd.* (廣州簡達網絡技術有限公司), a company established in the PRC with limited liability on December 17, 2014 and a direct wholly-owned subsidiary of Guangzhou Mobvista within the Retained Guangzhou Mobvista Group
“Guangzhou Mobvista”	Mobvista Co., Ltd.* (廣州匯量網絡科技股份有限公司), a company established in the PRC as a joint stock limited company on July 15, 2015 through conversion from a limited liability company (i.e. Guangzhou Huitao) and listed on the NEEQ (stock code: 834299)
“Guangzhou Ruisou”	Guangzhou Ruisou Information Technology Co., Ltd.* (廣州睿搜信息科技有限公司), a company established in the PRC with limited liability on November 7, 2013 and a direct wholly-owned subsidiary of Guangzhou Mobvista within the Retained Guangzhou Mobvista Group
“Guangzhou Mobvista Group”	Guangzhou Mobvista and its subsidiaries from time to time, including our Group
“Global Offering”	the Hong Kong Public Offering and the International Offering

DEFINITIONS

“GREEN Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
“Group,” “our Group,” or “the Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 31,888,000 new Shares initially being offered for subscription in the Hong Kong Public Offering at the Offer Price (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus)
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus a brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the terms and subject to the conditions described in this prospectus and the Application Forms, as further described in the section headed “Structure of the Global Offering — The Hong Kong Public Offering” in this prospectus
“Hong Kong Public Offering Documents”	this prospectus and the Application Forms
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Takeovers Code” or “Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering as listed in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement relating to the Hong Kong Public Offering, entered into among, inter alia, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters), the Controlling Shareholders and our Company on or around November 28, 2018, as further described in the section headed “Underwriting” in this prospectus

DEFINITIONS

“Huiju Shanhe”	Beijing Huiju Shanhe Internet Technology Co., Ltd.* (北京匯聚山河網絡技術有限公司), a company incorporated in the PRC with limited liability on September 11, 2014 and a direct wholly-owned subsidiary of Guangzhou Mobvista within the Retained Guangzhou Mobvista Group
“IFRS”	the International Financial Reporting Standards, amendments and interpretation issued from time to time by the International Accounting Standards Board
“independent third party(ies)”	any entity or person who is not a connected person of our Company or an associate of any such person within the meanings ascribed thereto under the Listing Rules
“INR”	Indian rupee, the official currency of India
“International Offering”	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States to QIBs only in reliance on Rule 144A or any other available exemption from the registration requirement under the U.S. Securities Act, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Offer Shares”	the 286,979,000 Shares being initially offered for subscription at the Offer Price under the International Offering together, where relevant, with any additional Shares that may be issued pursuant to any exercise of the Over-allotment Option, subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus
“International Purchasers”	the underwriters of the International Offering which are expected to enter into the International Purchase Agreement as purchasers on or around the Price Determination Date
“International Purchase Agreement”	the international purchase agreement relating to the International Offering and expected to be entered into by, among others, our Company, the Controlling Shareholders, the Joint Global Coordinators and the International Purchasers on or about December 5, 2018, as described in the section headed “Underwriting — Underwriting Arrangements And Expenses — International Offering — International Purchase Agreement” in this prospectus
“iResearch”	Shanghai iResearch Co., Ltd, an industry consultant
“iResearch Report”	the market research report titled Third-Party Mobile Advertising Industry Study prepared by iResearch and commissioned by us
“Joint Bookrunners”	UBS AG Hong Kong Branch, CMB International Capital Limited, AMTD Global Markets Limited, CCB International Capital Limited, Haitong International Securities Company Limited and China Industrial Securities International Capital Limited

DEFINITIONS

“Joint Global Coordinators”	UBS AG Hong Kong Branch and CMB International Capital Limited
“Joint Lead Managers”	UBS AG Hong Kong Branch, CMB International Capital Limited, AMTD Global Markets Limited, CCB International Capital Limited, Haitong International Securities Company Limited, China Industrial Securities International Capital Limited and SPDB International Capital Limited
“Joint Sponsors”	UBS Securities Hong Kong Limited and CMB International Capital Limited
“KRW”	the Korean Republic Won, the official currency of South Korea
“Latest Practicable Date”	November 23, 2018 being the latest practicable date for ascertaining certain information in this prospectus before its publication
“Listing”	the listing of the Shares on the Main Board
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about December 12, 2018, on which the Shares are to be listed and on which dealings in the Shares are to be first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“M&A Rules”	Rules on Mergers and Acquisitions of Domestic Enterprise by Foreign Investors (《關於外國投資者併購境內企業的規定》) which was amended on June 22, 2009
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Management RSU Scheme”	the restricted share unit scheme of the Company approved and adopted by our Board on November 19, 2018, the principal terms of which are set out in the section headed “Statutory and General Information — E. Share Incentive Schemes — 1. RSU Scheme — 1B. Management RSU Scheme” in Appendix IV to this prospectus
“Management RSU Trustee”	Sovereign Fiduciaries (Hong Kong) Limited
“Maximum Offer Price”	HK\$5.10 (being the high end of the Offer Price range stated in this prospectus)

DEFINITIONS

“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company conditionally adopted on October 30, 2018 with effect from Listing, as amended from time to time (a summary of which is set forth in Appendix III to this prospectus)
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as the Ministry of Information Industry of the PRC (中華人民共和國信息化部))
“MNC HK”	Mobvista Network Co., Limited, a company incorporated in Hong Kong with limited liabilities on March 7, 2013, one of our predecessor operating entities and deregistered in March 2017
“Mobworld Technology”	Mobworld Technology Limited* (廣州匯世信息科技有限公司), a company established in the PRC with limited liability on February 6, 2018 and an indirect wholly-owned subsidiary of our Company
“Mobvista Technology”	Mobvista (Guangzhou) Technology Limited* (廣州匯量信息科技有限公司), a company established in the PRC with limited liability on April 2, 2015 and an indirect wholly-owned subsidiary of our Company
“MIT HK”	Mobvista International Technology Limited (匯聚國際技術有限公司), a company incorporated in Hong Kong with limited liabilities on December 15, 2014 and an indirect wholly-owned subsidiary of our Company
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Cao”	Mr. CAO Xiaohuan (曹曉歡), one of our co-founders, an executive Director and the president of our Company
“Mr. Duan”	Mr. DUAN Wei (段威), our chairman, one of our co-founders, an executive Director and the chief executive officer of our Company
“Mr. Fang”	Mr. FANG Zikai (方子愷), an executive Director and the chief product officer of our Company
“Mr. Xi”	Mr. XI Yuan (奚原), an executive Director and the vice president of our Company
“NEEQ”	The National Equities Exchange and Quotations (全國中小企業股份轉讓系統) of the PRC
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

DEFINITIONS

“Offer Price”	the final offer price per Offer Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, to be determined as described in the section headed “Structure of the Global Offering — Pricing and Allocation” in this prospectus
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares together, where relevant, with any additional Shares to be issued by our Company pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by our Company to the International Purchasers, exercisable by the Joint Global Coordinators (on behalf of the International Purchasers) for up to 30 days from the day following the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to 47,830,000 additional new Shares (representing in aggregate approximately 15% of the initial Offer Shares) to cover over-allocations in the International Placing, if any, details of which are described in the section headed “Structure of the Global Offering — Over-allotment Option” in this prospectus
“PRC Legal Advisor”	JunHe LLP
“Price Determination Agreement”	the agreement to be entered into between our Company and the Joint Global Coordinators, acting on behalf of the Underwriters, on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be December 5, 2018, on which the Offer Price is fixed for the purposes of the Global Offering, and in any event no later than December 11, 2018, or such other date as agreed between the parties to the Price Determination Agreement
“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“QIB”	a qualified institutional buyer within the meaning of Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act
“Retained Guangzhou Mobvista Group”	Guangzhou Mobvista and its subsidiaries, excluding our Group
“Reorganization”	the reorganization arrangements of our Group in preparation for the Listing as described in the section headed “History and Corporate Structure — Reorganization” in this prospectus
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of China

DEFINITIONS

“RSU”	a restricted share unit award granted to a participant under the RSU Scheme
“RSU Schemes”	the Employee RSU Scheme and the Management RSU Scheme
“Rule 144A”	Rule 144A under the U.S. Securities Act
“Rupiah”	the official currency of Indonesia
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SAT”	The State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Seamless”	Seamless Technology Limited (顺流技术有限公司), a business company incorporated in the BVI with limited liability on November 24, 2014 and wholly-owned by Guangzhou Mobvista
“Share Option Scheme”	the Share Option Scheme we conditionally adopted pursuant to a resolution passed by our Shareholders on October 30, 2018, the principal terms of which are set out in the section headed “Statutory and General Information — E. Share Incentive Schemes — 2. Share Option Scheme” in Appendix IV to this prospectus
“Shenzhen Huirui”	Shenzhen Huirui Qianhai Information Technology Co., Ltd.* (深圳匯睿前海信息科技有限公司), a company established in the PRC with limited liability on March 28, 2016 and a direct wholly-owned subsidiary of Guangzhou Mobvista within the Retained Guangzhou Mobvista Group
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.01 each
“Stabilization Manager”	UBS AG Hong Kong Branch
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into between Seamless and the Stabilization Manager (or its agents) on or around the Price Determination Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“subsidiary” or “subsidiaries”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Track Record Period”	the three financial years ended December 31, 2015, 2016, 2017 and the six months ended June 30, 2018
“Underwriters”	the Hong Kong Underwriters and the International Purchasers
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Purchase Agreement
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“We”, “us” or “our”	our Company or our Group, as the context may require
“WHITE Application Form(s)”	the form of application for the Hong Kong Offer Shares for use by the public who require such Hong Kong Offer Shares to be issued in the applicants’ own name
“White Form eIPO”	the application for the Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the designated website of the White Form eIPO Service Provider, www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Worldwide BVI”	Worldwide Target Limited, a business company incorporated in the BVI with limited liability on April 13, 2018 and a direct wholly-owned subsidiary of our Company
“Worldwide Cayman”	Worldwide Target Technology Holdings Limited, an exempted company incorporated in Cayman Islands on November 27, 2014 and later deregistered on September 12, 2016; see “History and Corporate Structure — Our Corporate History and Development” in this prospectus
“YELLOW Application Form(s)”	the form of application for the Hong Kong Offer Shares for use by the public who require such Hong Kong Offer Shares to be deposited directly into CCASS

DEFINITIONS

“Zhuhai Huiliang”

Zhuhai Huiliang Investment Holding Co., Ltd.* (珠海匯量投資控股有限公司), a company incorporated in the PRC with limited liability on October 13, 2016 and a direct wholly-owned subsidiary of Guangzhou Mobvista within the Retained Guangzhou Mobvista Group

“%”

per cent

In this prospectus:

- * The English names of the PRC nationals, enterprises, entities, departments, facilities, certificates, regulations, titles and the like are translation and/or transliteration of their Chinese names and are included for identification purposes only. In the event of inconsistency between the Chinese names and their English translations and/or transliterations, the Chinese names shall prevail.

In this prospectus, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain terms used in this prospectus in connection with our business. These terms and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

“ad inventory”	traffic available on online media for advertising
“ad creative”	the specific rendering of the ad content
“attribution”	in the context of advertising, the identification of a set of user actions that contribute in some manner to a desired outcome, and then the assignment of a value to each of these event
“AI”	artificial intelligence
“API”	application programming interface, a set of routines, protocols, and tools for building software applications
“app”	a computer program designed to run on a mobile device
“ARPAU”	average revenues per daily active user
“ARPPU”	average revenues per paying user
“B2B”	business to business
“CAGR”	compound annual growth rate
“CPA”	cost per action, a performance-based pricing model where advertising is paid on the basis of each action of the mobile device user such as download, installation or registration. CPI, CPE, CPL and CPC are typically collectively referred to as CPA
“CPC”	cost per click, a pricing model where advertising is paid on the basis of each click of the ad
“CPE”	cost per engagement, a performance-based pricing model where advertising is paid on the basis of the mobile device user’s each engagement of the ad
“CPI”	cost per install, a performance-based pricing model where advertising is paid on the basis of each installation of the app
“CPL”	cost per lead, a performance-based pricing model where advertising is paid on the basis of each sign-up
“CPM”	cost per mille, a non-performance-based pricing model where advertising is paid on the basis of thousand impressions
“CPS”	cost per sale, a performance-based pricing model where advertising is paid on the basis of increased sale amount as a result of the advertising

GLOSSARY OF TECHNICAL TERMS

“click-through rate”	the ratio of mobile device users who click on the ad to the number of total mobile device users who view the ad
“conversion rate”	the ratio of mobile device users who take a desired action by the advertiser, such as signing up a new account or making a purchase, to the number of total mobile device users who viewed or clicked the ad
“DAU”	daily active user, in the context of DAUs of SDK, representing the number of unique mobile devices on which the codes of the app(s) integrating the SDK called the function in the SDK and resulted in an exchange of data between the app and the SDK platform on that day (multiple calls from the same device are only counted as one DAU)
“device ID”	a unique device-specific identifier used to accurately measure actions taken by a specific mobile device
“DSP”	demand side platform
“eCPM”	effective cost per mille, the revenues that an ad publisher would have received assuming they sold the ad inventories on a CPM basis, which equals CPC multiplied by click-through rate and 1,000; eCPM is not a pricing model, but a measurement to evaluate the effectiveness of a publisher’s ad inventories being sold
“ERP”	enterprise resource planning, business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back office functions related to technology, services and human resources
“fill rate”	the percentage of the total number of ads actually delivered out of the total number of ads requested
“KPI”	key performance indicator, which means, in the context of mobile advertising, the indicator reflecting the effectiveness and performance of the advertising campaign such as the number of new installations, sign-ups or sales
“MAU”	monthly active user
“native advertising”	a type of advertising that matches the form and function of the platform upon which it appears
“pan-entertainment”	the boarder scope of entertainment including but not limited to literature, music, film, video and other new forms of online and offline entertainment
“programmatic advertising”	the automatic buying and selling of ad inventories and automatic ad delivery through SDK or API

GLOSSARY OF TECHNICAL TERMS

“ROI”	return on investment
“RTB”	real time bidding, a means by which ad inventories are bought and sold on via programmatic instantaneous auction
“SaaS”	software as a service, a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted
“SDK”	software development kit, a set of software development tools that allows the creation of applications for a certain software package
“SSP”	supply side platform
“traffic”	in terms of traffic in mobile advertising, the flow of ad audience on mobile media
“tag”	a keyword describing the characteristic assigned such as to an audience or app
“unique mobile device”	a term used when not counting the same mobile device duplicatively based on device ID

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will,” “expect,” “anticipate,” “estimate,” “believe,” “going forward,” “ought to,” “may,” “seek,” “should,” “intend,” “plan,” “projection,” “could,” “vision,” “goals,” “objective,” “target,” “schedules” and “outlook”) are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this prospectus), uncertainties and other factors some of which are outside our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our ability to maintain and grow our advertiser and publisher bases;
- our ability to maintain the necessary business scale;
- our ability to continue to successfully implement our strategy with respect to programmatic advertising;
- our ability to maintain competitive advantages on big data and AI;
- our ability to derive revenue from our mobile analytics services;
- our ability to maintain and expand our “Glocal” operating model;
- our ability to maintain our technology capabilities and a reliable and efficient IT infrastructure;
- our ability to attract, retain and develop qualified and skilled employees;
- our ability to make successful investments and acquisitions;
- future developments, trends and conditions in the mobile advertising and mobile analytics industry and markets in which we operate;
- our ability to control costs, including staff and server costs;
- our ability to effectively manage our growth;
- the continued growth and development of the mobile advertising industry;
- general economic, political and business conditions in the mobile advertising and mobile analytics industry and the markets in which we operate;
- relevant government policies and regulations relating to our industry, business and corporate structure;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- the effects of the global financial market and economic condition;
- capital market developments;
- change or volatility in interest ratios, foreign exchange ratios, equity prices, volume, operations, margins, risk management and overall market trends;
- the actions and developments of our competitors; and
- all other risks and uncertainties described in the section under the heading “Risk Factors” in this prospectus.

FORWARD-LOOKING STATEMENTS

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Accordingly, you should not place undue reliance on any forward-looking information. Statements of or references to our intentions or those of any of our Directors are made as at the date of this prospectus. Any such intentions may change in light of future developments.

All forward-looking statements in this prospectus are expressly qualified by reference to this cautionary statement.

RISK FACTORS

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We have a short operating history and are subject to risks and uncertainties associated with operating in a rapidly developing and evolving industry. Our limited operating history makes it difficult to evaluate our business and prospects.

We launched our mobile advertising platform in China in 2013 and have subsequently experienced rapid growth. We expect we will continue to expand as our ecosystem evolves and we grow our advertiser and publisher bases and explore new market opportunities, including our development of mobile analytics services. However, due to our limited operating history, our historical growth rate may not be indicative of our future performance. Our future performance may be more susceptible to certain risks than a company with a longer operating history in a different industry. Many of the factors discussed below could adversely affect our business and prospects and future performance, including:

- our ability to maintain, expand and further develop our relationships with advertisers, publishers and mobile analytics users and meet their increasing demands;
- our ability to introduce and manage the development of new services;
- the continued growth and development of the mobile advertising industry;
- our ability to maintain the technological advantages of our mobile advertising platform and keep up with the technological developments or new business models of the rapidly evolving mobile advertising industry;
- our ability to effectively manage our growth;
- our ability to compete effectively with our competitors in the mobile advertising industry; and
- our ability to attract and retain qualified and skilled employees.

You should consider our business and prospects in light of the risks and uncertainties we face as a fast growing company operating in a rapidly developing and evolving market. We may not be successful in addressing the risks and uncertainties listed above, among others, which may materially and adversely affect our business and prospects and future performance.

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

Although we generate our revenues almost entirely from advertising services, our business model revolves around an ecosystem that requires us to retain and attract both advertisers and publishers. In order to retain and attract new advertisers we need to continue to provide increasingly precise, targeted advertising services that maximizes our advertisers return on advertising investment. In order to retain and attract new publishers we need to continue to improve the monetization efficiency for our publishers.

We cannot assure you that we will successfully retain existing advertisers, deepen or expand our relationships with our existing advertisers or attract new advertisers in the future. If our advertisers determine that their expenditures on our mobile advertising platform do not generate sufficient returns, they may reduce their advertising budgets or terminate advertising arrangements with us as our advertisers are typically not bound by long-term contracts. Failure to retain existing advertisers or attract new advertisers to advertise through our platform may materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, our success also depends on our ability to retain existing publishers, deepen or expand our relationships with our publishers and attract new publishers in the future. If our publishers are no longer satisfied with the monetization efficiency generated by using our platform, they may reduce or discontinue their cooperation with us and we would lose a portion or all of the ad inventories through which we can deliver ads, as our publishers are typically not bound by long-term contracts. Publishers control the supply

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of inventories and their processes may not always work in our favor. For example, publishers may place restrictions on the use of their inventories, including prohibiting the placement of ads on behalf of specific advertisers. In the event that we lose publishers or access to their ad inventories, we may not be able to complete ad delivery for advertisers in a timely manner or at all, and may incur significant costs in finding new publishers or new ad inventories, which may adversely affect our business, financial condition, results of operations and prospects.

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

Our business and prospects depend on the continuing development of the mobile advertising industry as we derive substantially all of our revenues from our mobile advertising services. Our profitability and prospects depend on the continuing development and growth of the mobile advertising industry and may be affected by a number of factors, many of which are beyond our control, including:

- technological innovation or new business models of the mobile advertising industry or the changing requirements of app developers;
- acceptance of mobile advertising as an effective marketing channel and the emergence of other alternative marketing channels;
- changes in government regulations or policies affecting the mobile advertising industry; and
- the growth of the world Internet industry in general.

There can be no assurances as to the development and growth of the mobile advertising industry.

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

The Internet and the mobile advertising and mobile analytics industries are rapidly evolving and are subject to continuous technological developments and changing demands from our advertisers, publishers and mobile analytics users. Our future success depends in part upon our ability to enhance and integrate our existing services and to introduce new, competitively priced services with features that meet the evolving technological developments and requirements of advertisers and publishers, all in a timely and cost-effective manner. We must also develop and promote new services to address the emerging mobile market in order to maintain our competitive position. If we do not adapt our services to such changes in an effective and timely manner, we may lose advertisers, publishers and mobile analytics users who currently use our services. Furthermore, changes in technologies or new business models may require substantial investments in product development, IT infrastructure and other aspects of our operations. Our investments may not be successful due to a variety of reasons such as technical hurdles, inaccurate predictions of market demand or a lack of necessary resources. Failure to keep up with technological development or new business models of the mobile advertising industry or the changing requirements of advertiser, publishers and mobile analytics users may result in our services being less attractive to existing or potential advertisers, publishers and mobile analytics users, which in turn, may materially and adversely affect our business, results of operations and prospects. For example, the recent technology development and new business model of add-in mini apps of certain widely used apps in China may create a new market of mobile advertising based on mini apps in addition to mobile advertising on standalone mobile apps. Although our current advertisers are mainly PRC app developers of apps that target for overseas market, the future development and popularity of similar add-in mini apps in overseas market may change the current landscape of mobile advertising. If we are unable to successfully react to such technological development or business model, our business, results of operations and prospects may be materially and adversely affected.

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A number of factors could have a negative impact on our ability to introduce new or enhanced services:

- delays or difficulties in developing, integrating or customizing new services;
- our competitors' introduction of new services ahead of us, or their introduction of superior or cheaper services;
- the development of in-house services that could eliminate the need for our services;
- failure to anticipate changes in user acquisition, monetization and mobile analytics demands;
- advertisers' choice to conduct marketing campaigns and publishers' choice to monetize their ad inventories without using our services;
- failure to adapt to other technological developments; and
- failure to react in a timely manner to greater adoption of new advertising pricing models.

There can be no assurances that we will be able to introduce the necessary services to keep up with the technological developments or new business models of the mobile advertising or mobile analytics industries, or the changing requirements of advertisers, publishers and mobile analytic users.

If we do not effectively manage our growth, our operating performance will deteriorate and we may lose advertisers, publishers and mobile analytics users.

We have experienced rapid growth in the number of our advertisers, publishers and mobile analytics users, and growth in our headcount and operations. We may experience continued growth in our business through internal growth and acquisitions or strategic alliances. Our expansion has placed, and will continue to place, substantial demands on our managerial, operational, technological and other resources. Our planned expansion will also require us to maintain the consistency of our service offerings to ensure that our market reputation and leadership does not suffer as a result of any deviations, whether actual or perceived, in the quality of our service offerings. Our future results of operations depend to a large extent on our ability to manage this expansion and growth successfully. In particular, continued growth may subject us to the following additional challenges:

- challenge in ensuring the productivity of a large employee base and recruiting, training and retaining highly skilled personnel, including sales and marketing, research and development, customer service and mobile advertising specialists for our growing international operations;
- challenge in successfully improving our mobile advertising platform to accommodate mobile development, new advertising pricing models and new user acquisition and monetization demands;
- challenge in successfully improving our mobile analytics SaaS platform to accommodate demands from app developers;
- challenge in maintaining effective operational, financial and management controls across multiple jurisdictions, including increased challenges in consolidating financial results for subsidiaries and operations across different countries and regions; and
- challenge in responding to evolving industry standards and government regulation that impact our growing international business, particularly in the areas of data protection and privacy.

There can be no assurances that our current platform and technology, procedures, resources and controls will be adequate to support our contemplated growth. If we fail to manage our growth effectively, our business, results of operations and prospects may be materially and adversely affected.

If we do not effectively manage our costs, we may not be able to sustain our profitability.

We rely on the supply of ad inventories from our publishers to deliver ads for our advertisers. Our traffic acquisition costs were US\$136.3 million, US\$193.2 million, US\$215.5 million and US\$136.7 million

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for the year ended December 31, 2015, 2016, 2017 and the six months ended June 30, 2018, accounting for 94.4%, 89.9%, 93.7% and 94.1% of our costs of sales during each period, respectively. Traffic acquisition costs accounted for a significant portion of our costs of sales and the increase of traffic acquisition costs may impact our profitability and our business, financial condition and results of operation.

In addition, we have expended significant resources to grow our business in recent years by enhancing our technology capabilities and infrastructure, growing our number of employees and expanding internationally. Specifically, costs related to our IT infrastructure have accounted for an increasing amount of our total costs of sales. For the years ended December 31, 2015, 2016, 2017 and the six months ended June 30, 2018, costs of sales incurred for our mobile advertising services in relation to server costs amounted to US\$0.7 million, US\$6.1 million, US\$13.9 million and US\$8.5 million, respectively. We anticipate continued growth that could require substantial financial and other resources to, among other things:

- invest in our technology infrastructure and improve the capability of our platform, particularly as we continue to pursue programmatic advertising;
- invest in our engineering and AI team to innovate and create and improve our services;
- invest in our mobile analytics platform;
- continue to expand internationally by expanding our local teams in an effort to increase our advertiser and publisher base;
- cover general and administrative expenses, including cost of human capital as well as cost of legal, accounting and other expenses necessary to support a larger organization;
- cover sales and marketing expenses;
- cover expenses relating to data protection, privacy and other compliance matters, including additional infrastructure and personnel; and
- explore strategic acquisitions.

Our expenditures may not yield the anticipated returns or benefits to our business, and if we fail to effectively manage our costs, we may not be able to sustain profitability.

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

As demand for mobile advertising and mobile analytics services continues to increase, we expect new competitors to enter these markets and existing competitors to allocate additional resources to these markets. As a result, we expect competition in the mobile advertising industry to intensify. Our direct competitors are other third-party mobile advertising platforms. Our competitors also include major mobile media that offer their ad inventories to advertisers directly on their own platforms and they may have more control on their mobile advertising pricing and more influence on the development of the mobile advertising industry. We also compete for advertisers' overall marketing spending with direct marketing, print advertising companies and traditional media such as television, radio and cable companies. We also compete with other mobile analytics service providers that provide mobile analytics service for app developers. Our ability to compete depends on many factors, including price, return on advertising expenditures, availability of quality ad inventories, the effectiveness of our technologies and the quality of our customer service. If these factors are unfavorable to us, we may not be able to compete effectively or maintain our market position.

Certain of our existing and future competitors may have longer operating histories, broader reach and significantly greater financial, technical and marketing resources than we do. These competitors may engage in more extensive research and development, marketing campaigns and sales efforts than we can and develop or promote services that are similar to or better than ours. New and increased competition is likely to result in price reductions, reduced margins or a loss of our market leading position, any of which could cause us to lose advertisers, publishers or mobile analytics users, or decrease the advertising spending on our platform in a manner that causes our revenues to decline, which may materially and adversely affect our business, results of operations and financial condition.

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We may face certain risks in collecting our trade receivables, and the failure to collect could have a material adverse effect on our business, financial condition and results of operation.

As of June 30, 2018, our trade receivables were US\$121.0 million and allowance for doubtful asset were US\$12.7 million. Our trade receivables turnover days were 106 in the six months ended June 30, 2018. We recorded impairment losses on trade receivables of US\$0.6 million, US\$11.0 million, US\$1.2 million and US\$0.3 million for the year ended December 31, 2015, 2016, 2017 and six months ended June 30, 2018, respectively. As our business continues to scale, our trade receivable balance may continue to grow, which may increase our risks for uncollectible receivables. We generally do not require collateral or other security from our customers. Actual losses on receivables balance could differ from those that we anticipate and reserve in our allowance account, as a result we might need to adjust our allowance. Macroeconomic conditions could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements or default on their payment obligations to us. If we are unable to collect our trade receivables from our customers, our business, financial condition and results of operation may be materially and adversely affected.

Limitations on our ability to collect and use data, or challenges to our right to collect and use such data, could significantly diminish the value of our technologies and services and cause us to lose advertisers, publishers and mobile analytics users, and harm our business and results of operations.

Our data input mainly consists of app-related information from both advertisers and publishers and ad interaction behavior and device-specific data from end users. We collect device-specific data, which include device ID, IP address and behavior data through apps, but we do not collect or store personal data such as the audience's legal name and personal ID number. In order to plan and optimize advertising campaigns and effectively provide monetization and mobile analytics services, we need to access and analyze such information. Certain app developers may prohibit or limit our collection or use of such data. Operating systems or certain user-end apps may also pose technical restrictions on our ability to legally collect device-specific data. Interruptions, failures or defects in our data collection systems, as well as privacy concerns regarding the collection of device-specific data, could also limit our ability to analyze such device-specific data. In addition, there is no assurance that the government will not adopt legislation that prohibits or limits collection of device-specific data on the Internet and the use of such data, or that third parties will not bring lawsuits against us relating to Internet privacy and data collection. Due to the recent development of laws and regulations on data protection and privacy, other companies will be subject to more stringent requirements on data sharing with third-party, which may limit our ability to collect data from them. If any of the above happens, we may be unable to provide effective services, lose advertisers, publishers and mobile analytics users, and our business, financial condition and results of operations would be adversely affected. Lawsuits or administrative inquiries could also be costly and divert management resources, and the outcome of such lawsuits or inquiries may be uncertain and may harm our business.

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

We depend on the accuracy and genuineness of advertising performance data and other data provided by publishers in evaluating the effectiveness of our advertisers' advertising campaigns and determining the advertising fees that we receive from advertiser and the traffic acquisition costs that we pay to our publishers. We have implemented an anti-fraud mechanisms to detect and prevent fraudulent advertising performance data. However, there can be no assurance that such mechanism will always be effective or adequate. If the advertising performance data or other data provided by publishers is inaccurate or fraudulent, we will not be able to improve user targeting precision and achieve better performance for our advertisers' ads and greater monetization efficiency for our media publishers. If our system fails to detect fraudulent advertising performance data or other data, we may have to pay unnecessary traffic acquisition costs to

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publishers based on these fraudulent data, and advertisers may refuse to pay us advertising fees due to the ineffectiveness of the advertising campaigns, which could result in disputes with our advertisers or publishers, harm to our reputation and loss of advertisers and publishers, and adversely affect our business, results of operations and financial conditions.

If we are unable to identify and consummate strategic investments and merger and acquisition opportunities, it may impair our ability to implement our strategies; if we consummate such investments and acquisitions, we may be exposed to additional risks.

We have acquired and invested in a number of business in recent years. We expect to continue to pursue strategic investment and merger and acquisitions opportunities in order to scale our operations and enhance our business reputation. However, our ability to consummate acquisitions is subject to a number of risks and uncertainties. Even if we are able to consummate acquisitions, our ability to successfully grow our business through such acquisitions involves significant challenges and risks, including:

- difficulties integrating into our operations the personnel, operations, services, technology, internal controls and financial reporting of companies we acquire;
- disrupting our ongoing business, distracting our management and employees and increasing our expenses;
- losing skilled professionals as well as established client relationships of the businesses we invest in or acquire;
- for investments over which we may not obtain management and operational control, we may lack influence over the controlling partner or shareholder, which may prevent us from achieving our strategic goals in such investment;
- new regulatory requirements and compliance risks that we become subject to as a result of acquisitions in new industries or otherwise;
- actual or alleged misconduct or non-compliance by any company we acquire or invest in (or by its affiliates) that occurred prior to our acquisition or investment, which may lead to negative publicity, government inquiry or investigations against such company or against us;
- unforeseen or hidden liabilities or costs that may adversely affect us following our acquisition of such targets; and
- challenges in achieving the expected benefits of synergies and growth opportunities in connection with these acquisitions and investments.

Consequently, there can be no assurances that any investments or acquisitions we consummate will not have an adverse impact on our business results of operations and reputation.

We have international operations and plan to continue expanding our operations abroad where we have limited or no operating experience, and this may subject us to increased business and economic risks that could affect our financial results.

We have international operations and plan to continue the international expansion of our business operations. As of June 30, 2018, we had 12 offices globally in countries including China, the United States, the United Kingdom, the Netherlands, Denmark, Japan, Singapore and India, serving companies in over 200 countries. We intend to continue to implement our “Glocal” model by enhancing our local service capabilities in each region in which we operate and expanding our global reach. We may enter new international markets where we have limited or no experience in mobile advertising or other services we may intend to provide. If we fail to deploy, manage, or oversee our international operations successfully, our business may suffer. In addition, we are subject to a variety of risks inherent in doing business internationally, including:

- political, social, or economic instability;
- foreign exchange controls and tax and other regulations and orders that might limit our ability to move cash freely, and impede our ability to invest such cash efficiently;

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- risks related to legal, regulatory, and other government scrutiny applicable to us with our provision of services and operations in foreign jurisdictions, including with respect to data collection, privacy, tax, law enforcement, content, trade compliance, intellectual property, and terrestrial infrastructure matters;
- potential damage to our brand and reputation due to compliance with local laws, including potential censorship or requirements to provide user information to local authorities;
- fluctuations in currency exchange rates and compliance with currency controls;
- higher levels of credit risk and payment fraud;
- enhanced difficulties of integrating any foreign acquisitions;
- difficulties in staffing, managing, and overseeing global operations and the increased travel, infrastructure, and legal compliance costs associated with multiple international locations;
- difficulties in gaining an in-depth understanding of local markets and cultures;
- risks related our ability to establish cooperation relationships with international partners, including local banks who provide us with support for international settlement and credit facilities; and
- compliance with statutory equity requirements and management of tax consequences.

If we are unable to manage the complexity of our global operations and expand our global reach successfully, our financial results could be adversely affected.

If we lack of requisite approvals, licenses or permits applicable to our business, it may have a material adverse effect on our business and results of operations.

The laws and regulations on the mobile advertising, mobile analytics and Internet-related businesses, and the licensing and permit requirements pertaining to, companies in the Internet, mobile advertising and mobile analytics industries, are relatively new and evolving. The interpretation and enforcement of these laws and regulations also involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what may be deemed to be in violation of applicable laws and regulations. There can be no assurances you that we have obtained all the permits or licenses required for conducting our business in all jurisdictions where we operate or will be able to maintain our existing licenses or obtain new ones.

If any government considers that we were operating without the proper approvals, licenses or permits or promulgates new laws and regulations that require additional approvals or licenses or imposes additional restrictions on the operation of any part of our business, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by such government may have a material adverse effect on our business and results of operations.

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

We are subject to a variety of laws and regulations that involve matters central to our business, including privacy, data protection and personal information, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, electronic contracts and other communications, competition, protection of minors, consumer protection, telecommunications, product liability, taxation, economic or other trade prohibitions or sanctions. The introduction of new services, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny.

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These laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the rapidly evolving industries in which we operate, and may be interpreted and applied inconsistently. There are also currently several proposals pending before legislative and regulatory bodies that could impose new obligations in areas affecting our business, such as liability for copyright infringement by third parties.

Additionally, we have relationships with third parties that perform a variety of functions. The laws and regulations related to the products and services provided by such third parties are complex, subject to change, and vary across different jurisdictions. As a result, we may be required to spend significant time, effort and expense to comply with applicable laws and regulations. Any failure or claim of our failure to comply, or any failure or claim of failure by the above-mentioned third parties to comply, could increase our costs or could result in liabilities.

These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.

If we fail to meet ad creatives and inventory standards and provide services that our advertisers and publishers trust, it could harm our brand and reputation and negatively impact our business, financial condition and operating results.

We do not provide or control either the advertisers that we service or that of the publishers who provide ad inventories. Advertisers provide the ad creatives and publishers provide the ad inventories. Both advertisers and publishers are concerned about being associated with contents they consider inappropriate or inconsistent with their brands, or illegal. Additionally, advertisers may seek to display advertising campaigns in jurisdictions that do not permit such advertising. Consequently, our reputation depends in part on providing services that our advertisers and publishers trust. There is no assurance that we will be able to effectively monitor issues related to ad creatives or to block fraudulent inventories. Despite our efforts, we may provide access to ad inventories that is objectionable to our advertisers or we may serve advertising contents that contains malware or objectionable content to our publishers, which could harm our or our clients' brand and reputation, and negatively impact our business, financial condition and operating results.

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

We collect device-specific data, which include device ID, IP address and behavior data, but we do not collect or store personal data such as the audience's legal name and personal ID number. As such, our targeting is technically device-based and is not associated with the real person who is the actual user of such device. We currently retain our data in secure database servers. Although we observe security measures throughout our operations and limit access to such information, we cannot assure you that we will be able to prevent unauthorized individuals from gaining access to these database servers. Any unauthorized access to our servers, or abuse by our employees, could result in the theft or loss of privacy information. If privacy information is misappropriated, misused or lost, we could lose advertisers, publishers or mobile analytics users, or become subject to liability or litigation and our reputation could be harmed, any of which could materially and adversely affect our business and results of operations.

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Proposed or new legislation and regulations on data privacy and data protection could also significantly affect our business. For example, the European General Data Protection Regulation, or the GDPR, took effect in May 2018 and apply to all of our services that are provided in Europe. The GDPR will include operational requirements for companies that receive or process personal data of residents of the European Union that are different than those currently in place in the European Union. Failure to comply with the GDPR may result in substantial fines and other administrative penalties. The GDPR may increase our responsibility and liability in relation to device-specific data that we process and we may be required to put in place additional mechanisms ensuring compliance with the GDPR. This may be onerous and if our efforts to comply with the GDPR or other applicable European Union laws and regulations are not successful, it could adversely affect our business in the European Union. In the United States, we are subject to the Children's Online Privacy Protection Act, or the COPPA, which regulates collection of information from children online and the Federal Trade Commission Act, which prohibits unfair or deceptive actions both online and offline. The Federal Trade Commission Act has been applied to data security and online privacy regulation. The Federal Trade Commission is also an enforcer of failure to comply with privacy policies and other data protection laws and regulations and is COPPA's primary enforcer. The U.S. government, including the Federal Trade Commission and the Department of Commerce, has announced that it is reviewing the need for greater regulation for the collection of information concerning user behavior on the Internet, including regulation aimed at restricting certain online tracking and targeted advertising practices.

In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services. These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.

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

The volume of data that we process and store makes us or third party service providers who host our servers an attractive target and potentially vulnerable to cyber attacks, computer viruses, physical or electronic break-ins or similar disruptions. While we have taken steps to protect our database, our security measures could be breached. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any accidental or willful security breaches or other unauthorized access to our platform could cause confidential information to be stolen and used for illegal purposes. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our relationships with our advertisers, publishers and mobile analytics users could be severely damaged, we could incur significant liability and our business and operations could be adversely affected. The PRC Network Security Law, effective on June 1, 2017, stipulates that a network operator, including Internet information services providers among others, must adopt technical measures and other necessary measures in accordance with applicable laws and regulations as well as compulsory national and industrial standards to safeguard the safety and stability of network operations, effectively respond to network security incidents, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data. While we have adopted comprehensive measures to comply with the applicable laws, regulations and standards, there can be no assurance that such measures will be effective. If we were found by the regulatory

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authorities to have failed to comply with the PRC Network Security Law other similar laws and regulations in other jurisdictions, we would be subject to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of our platform or even criminal liability and our business, financial condition and results of operations would be adversely affected.

Interruption or failure of Internet infrastructure and telecommunications systems could impair our ability to effectively deliver advertisements and provide our services, which could cause us to lose advertisers, publishers and mobile analytics users, and harm our business and results of operations.

Our business depends on the performance, reliability and stability of the Internet infrastructure and telecommunications systems. The availability of our services depends on third-party providers for services including cloud computing, storage capacity, content delivery and telecommunications. In addition, since we rely on the performance of our publishers to deliver the advertisements, any interruption or failure of their information technology and communications systems may undermine the effectiveness of our advertising services and cause us to lose advertisers. We have experienced failure of cloud computing service which resulted in partial data loss in the past. Any interruption or failure of Internet infrastructure and telecommunications systems could impair our ability to effectively deliver advertisements and provide our services, and could cause us to lose advertisers, publishers and mobile analytics users, and our business, financial condition and results of operations would be adversely affected.

Our platform, technology and IT infrastructure rely on software that is highly technical, and if it contains undetected errors, our business could be adversely affected.

Our platform, technology and IT infrastructure, including our AI-driven system, auto-scaling all-in-cloud multi-region distributed architecture, SDKs and anti-fraud mechanism, rely on software that is highly technical and complex. In addition, our platform, technology and IT infrastructure depend on the ability of the software to store, retrieve, process and manage immense amounts of data. The software on which we rely may now or in the future contain, undetected errors or bugs. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within the software on which we rely may result in a negative experience for advertisers, publishers and mobile analytics users, delay introductions of new features or enhancements, result in errors or compromise our ability to protect data or our intellectual property. Any errors, bugs or defects discovered in the software on which we rely could result in harm to our reputation, loss of advertisers, publishers and mobile analytics users or liability for damages, any of which could adversely affect our business, results of operations and financial conditions.

We may not be able to prevent others from making unauthorized use of our intellectual property.

We regard our software copyrights, trademarks, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete agreements with our employees and others to protect our proprietary rights. See “Business—Intellectual Property” in this prospectus. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages.

It may be difficult to maintain and enforce intellectual property rights in China. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in all jurisdictions. Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to

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litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. To the extent that our employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may be from time to time in the future subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed by our products, services or other aspects of our business without our awareness. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in various jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert management's time and other resources from our business and operations to defend against these claims, regardless of their merits.

Additionally, the application and interpretation of intellectual property right laws and the procedures and standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights are evolving and may be uncertain, and we cannot assure you that courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business and financial performance may be materially and adversely affected.

We may experience weak liquidity as we had recorded negative cash flow from our operating activities in the past.

We recorded negative operating cash flow of US\$12.7 million for the year ended December 31, 2015, and US\$1.6 million for the six months ended June 30, 2018. Operating cash outflow in 2015 was largely due to increase in trade and other receivables of US\$58.2 million. At an early stage of our business operations, we were primarily revenue-driven, focusing more on attracting new customers and generating revenues than on collecting trade receivables from them in an effective manner. In addition, as an emerging market player in 2015 with relatively low bargaining power, we were in a weak position to negotiate for favorable credit terms from our suppliers, which also negatively affected our cash flow in the same period. Starting from 2016, while continuously expanding our business operations, we put more efforts in receivables collection management, which led to cash inflows from our operating activities of US\$31.4 million and US\$49.2 million, respectively, in 2016 and 2017. Our operating cash outflow in the six months ended June 30, 2018 was primarily due to (i) increased incentives paid to a certain number of high quality publishers by cash and (ii) increased salaries and benefits paid to our research and development personnel by cash throughout the period.

Our ability to generate adequate cash inflows from operating activities in the future will depend on large part of our ability to collect receivables from our customers in a timely manner and credit terms that we can obtain from suppliers. We cannot assure you that we will not experience negative cash flow again in the future, which may adversely affect our growth prospects.

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The terms and conditions of our credit facilities impose customary financial covenants, and if we default on our credit facilities, it could have a material adverse effect on our results of operations and financial condition and make us vulnerable to adverse economic or industry conditions.

The terms and conditions of our credit facilities contain a number of restrictive covenants, including customary financial covenants, including covenants requiring us to maintain a minimum tangible net worth and minimum average deposit. If our business, results of operations or financial condition is adversely affected, we may be unable to maintain compliance with these covenants. A breach of any of these covenants could result in an event of default under our credit facility. Upon the occurrence of an event of default, the bank could elect to declare any and all amounts outstanding under such facility to be immediately due and payable and terminate all commitments to extend further credit. Under such circumstances, we may need to seek alternate financing sources to fund our ongoing operations and to repay amounts outstanding and satisfy our other obligations under our existing credit facilities. Such financing may not be available on favorable terms, if at all. Consequently, we may be restricted in how we fund ongoing operations and strategic initiatives and deploy capital, and in our ability to make acquisitions and to pay dividends. As a result, our business, results of operations and financial condition may be further adversely affected if we are unable to maintain compliance with the covenants under our credit facilities.

As a global company, we rely on the internal export and import of our services among our subsidiaries in China and overseas offices. Change of tax laws and regulations could subject us to additional tax, incur more costs and adversely affect our business, results of operations and financial condition.

As a global company, we rely on the internal export and import of our services among our subsidiaries in China and overseas offices. For example, our PRC entities may bill our Hong Kong entity for operation and research and development services provided in PRC, and our PRC entities may incur costs related to traffic purchase through our Hong Kong entity. Currently, our business model meets relevant requirements in the local tax laws and regulations and we are not subject to significant tax costs. However, if applicable laws and regulations change, we may be subject to additional tax, incur more costs and our business, results of operations and financial conditions will be adversely affected.

Seasonal fluctuations in advertising activity could have a material impact on our revenues, cash flow and operating results.

Our revenues, cash flow, operating results and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our advertisers' spending on advertising campaigns. For example, advertisers tend to devote more of their advertising budgets in holiday seasons with consumer holiday spending. Moreover, advertising inventory in holiday seasons may be more expensive due to increased demand for advertising inventory. Our historical revenues growth has masked the impact of seasonality, but if our growth rate declines or seasonal spending becomes more pronounced, seasonality could have a material impact on our revenues, cash flow and operating results from period to period.

We face potential liability and harm to our business based on the nature of our business and the content on our platform.

Advertising may result in litigation relating to copyright or trademark infringement, public performance royalties or other claims based on the nature and content of advertising that is distributed through our platform. Though we contractually require advertisers to represent to us that they ensure their advertisements comply with applicable laws and regulations, we do not independently verify whether we are permitted to deliver, or verify the content of, such advertisements. If any of these representations are untrue, we may be exposed to potential liability and our reputation may be damaged. While our advertisers are typically obligated to indemnify us, such indemnification may not fully cover us, or we may not be able to collect. In addition to settlement costs, we may be responsible for our own litigations costs, which can be expensive.

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We are exposed to foreign exchange risks arising from our business operations.

During the Track Record Period, we generated a substantial amount of our revenues and incurred a substantial amount of costs of sales denominated in US dollars. However, we did have sales and purchases and cash balances denominated in other currencies, mainly in RMB, HKD and KRW, during the Track Record Period. Moreover, a significant portion of our operating costs are denominated in RMB. The value of USD against RMB, HKD, KRW or other currencies, may fluctuate and is affected by, among other things, changes in global political and economic conditions, which are out of our control. Therefore, any fluctuations in the exchange rate of USD against other currencies may expose us to exchange rate risks, and our results of operations may be adversely affected.

We did not hedge our foreign exchange risk during the Track Record Period. Please refer to Note 25 of the Accountants' Report set out in Appendix I to this prospectus for a sensitivity analysis on our profit after tax during the Track Record Period in the event that US dollars had strengthened or weakened by 5% against RMB, HKD and KRW.

We recorded net current liabilities as of December 31, 2016.

We had net current liabilities of US\$6.4 million as of December 31, 2016. See "Financial Information — Discussion of Certain Key Combined Balance Sheets Items" in this prospectus. Although we recorded net current assets as of December 31, 2015 and 2017 and June 30, 2018, we cannot assure you that we will always be able to maintain our liquidity and continue to record net current assets. We may have net current liabilities again in the future, the occurrence of which could have an adverse impact on our financial condition and results of operation.

If the pricing models set by our advertisers and publishers are different, our system cannot accurately convert the traffic acquisitions costs and actual traffic acquisition costs exceed the maximum traffic acquisition cost set by advertisers, we will incur more costs than predicted, which may materially and adversely affect our gross profit, profitability and financial results.

In a specific campaign, the advertiser will set a maximum traffic acquisition costs requirement based on a specific pricing model for us. We will not exceed the maximum traffic acquisition cost set by the advertiser. If the pricing model set by the advertiser is different than the pricing model used by the relevant publisher, our system will convert the pricing model used by the publisher based on our system's real-time prediction of the publisher's capability to deliver on the basis of the pricing model set by the advertiser. Our system will automatically calculate the predicted conversion ratio based on the past conversion ratio feedback that we have received from publishers for ad deliveries with similar tags and convert the CPI-based price to CPM-based or CPC-based price. Such prediction may be inaccurate and result in more costs than expected when the actual conversion ratio is less than the predicted conversion ratio, in which case our system will subsequently make adjustment based on the actual conversion ratio for future predictions. We seek to ensure that our predicted traffic acquisition costs will not exceed the maximum traffic acquisition costs set by the advertiser. However, if our system prediction is not accurate and the actual traffic acquisition costs exceed the traffic acquisition costs requirement set by the advertiser, we will incur more costs than predicted, which will affect our gross profit, and if we cannot effectively manage such costs, our profitability and financial results will be adversely affected.

We may incur impairment loss due to the depreciation and amortization of our investment in infrastructure.

As a component of our strategies, we intend to invest in technology infrastructure such as computer and network hardware and software that are necessary for the growth and expansion of our business operations. Such assets are subject to depreciation and amortization. We may experience additional impairment loss due to the depreciation and amortization of our newly acquired infrastructure assets and our operating results may be adversely affected.

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We have not purchased any insurance to cover our main assets, properties and business and our limited insurance coverage could expose us to significant costs and business disruption.

In line with general industry practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws or relevant foreign laws. We do not maintain keyman life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties. We have purchased directors' and officers' liability insurance. Any disruption in our network infrastructure or business operations, litigation or natural disasters may result in our incurring substantial costs and the diversion of our resources, and we have no insurance to cover such losses. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Certain of our leased property interests may be defective and could result in claims, monetary penalties, increased cost of operation or otherwise harm on our business.

As of the Latest Practicable Date, we operated our businesses primarily through nine leased properties in Guangzhou and Beijing in China. Two of the landlords of the leased properties have not provided its evidence of the title or the right to the lease. According to PRC laws, rules and regulations, in situations where a landlord lacks evidence of the title or the right to lease, the relevant lease agreement may not be valid or enforceable under PRC laws, rules and regulations, and may also be subject to challenge by third parties. However, in cases where the lessors failed to provide property title certificates, we cannot assure you that such defects will be cured in a timely manner or at all. Our business may be interrupted and additional relocation costs may be incurred if we are required to relocate operations affected by such defects. Moreover, if our lease agreements are challenged by third parties, it could result in diversion of management attention and cause us to incur costs associated with defending such actions, even if such challenges are ultimately determined in our favor.

In addition, our nine lease agreements in the PRC have not been filed with competent governmental authority. According to PRC laws, rules and regulations, the failure to file the lease agreement will not affect its effectiveness between the tenant and the landlord, however, the landlord and the tenant may be subject to administrative fines for such failure to file the lease. As of the Latest Practicable Date, we were not aware of any action, claim or investigation being conducted or threatened by the competent government authorities with respect to the defects in our leased properties. However, if we are fined or penalized by government authorities due to our lessors' failure to file our lease agreements, our business and financial condition may be negatively impacted.

We may be subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to legal proceedings from time to time in the ordinary course of our business, which could have a material adverse effect on our business, results of operations and financial condition. We may receive formal and informal inquiries from government authorities and regulators regarding our compliance with laws and regulations, many of which are evolving and subject to interpretation. Claims arising out of actual or alleged violations of law could be asserted against us by advertisers, by publishers, by mobile analytics users, by competitors, or by governmental entities in civil or criminal investigations and proceedings or by other entities. These claims could be asserted under a variety of laws in different jurisdiction, including but not limited to advertising laws, Internet information services laws, intellectual property laws, unfair competition laws, data protection and privacy laws, labor and employment laws, securities laws, real estate laws, tort laws, contract laws, property laws and employee benefit laws. We may also be subject to lawsuits due to actions by our publishers or advertisers.

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There is no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful in our attempt to defend ourselves in legal and administrative actions or to assert our rights under various laws, enforcing our rights against the various parties involved may be expensive, time-consuming and ultimately futile. These actions could expose us to negative publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business.

We are subject to anti-bribery, anti-corruption and similar laws and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the USA PATRIOT Act, U.S. Travel Act, the U.K. Bribery Act 2010 and Proceeds of Crime Act 2002, and possibly other anti-corruption, anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws have been enforced with great rigor in recent years and are interpreted broadly and prohibit companies and their employees and their agents from making or offering improper payments or other benefits to government officials and others in the private sector. As we increase our international business and increase our use of third parties such as agents or consultants, our risks under these laws will increase. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with specified persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. Any investigations, actions and/or sanctions could have a material negative impact on our business, results of operations and financial condition.

The continuing and collaborative efforts of our senior management and key employees are crucial to our success, and our business may be harmed if we lose their services.

Our business operations depend on the continued services of our senior management, particularly our founders and senior management named in this prospectus. While we have provided incentives to our management, we cannot assure you that we can continue to retain their services. If one or more of our key executives were unable or unwilling to continue in their present positions, we may not be able to find suitable replacements, our future growth may be constrained, our business may be severely disrupted and our financial condition and results of operations may be materially and adversely affected. In addition, although we have entered into confidentiality and non-competition agreements with our management, there is no assurance that any member of our management team will not join our competitors or form a competing business. If any dispute arises between our current or former officers and us, we may have to incur substantial costs and expenses in order to enforce such agreements or we may not be able to enforce them at all.

Our future success depends on our ability to attract, hire, retain and motivate highly skilled employees and increases in costs related to our employees may adversely affect our ability to sustain profitability.

As of June 30, 2018, we had a total number of 581 employees. The average wages in our key areas of operations have generally increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We believe our future success depends on our continued ability to attract, hire, retain and motivate qualified and skilled employees. In particular, experienced experts are critical for creating AI algorithms for our machine learning models and the continued development of our technology capabilities depends on the expertise of our technology team. Competition for highly skilled professional personnel is extremely intense, which could also increase our costs to attract and retain talented employees. As a result, we may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the

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companies with which we compete for experienced employees may have greater resources than we have and may be able to offer more attractive terms of employment. In addition, we invest significant time and resources in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training new employees, and our ability to provide our products and services could diminish, resulting in a material adverse effect to our business. Increases in costs related to our employees may also adversely affect our ability to sustain profitability.

We may need additional capital, and we may be unable to obtain such capital in a timely manner or on acceptable terms, or at all.

Although we believe that our anticipated cash flows from operating activities, together with cash on hand and net proceeds from the Global Offering, will be sufficient to meet our anticipated working capital requirements and capital expenditures in the ordinary course of business for the next twelve months, we cannot assure you this will be the case. We may need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time, we may seek to issue equity or debt securities or obtain credit facilities. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We have historically used bank borrowings to partially finance our operations. We cannot assure you that additional financing will be available in amounts or on terms acceptable to us, if at all.

We may face risks regarding to the recoverability of deferred tax assets.

As of December 31, 2015, 2016, 2017 and June 30, 2018, we had deferred tax assets of US\$1.6 million, US\$4.7 million, US\$8.1 million and US\$7.0 million, respectively. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and the level of future taxable profits of the individual entities together with related tax planning strategies. Although we estimate and recognize the deferred tax assets in good faith, we cannot assure you that we will generate sufficient taxable profits in the future to fully utilize the deferred tax assets. In the case that the value of deferred tax assets has changed, we may have to write down the deferred tax assets, which may affect our expenditure, profit and loss and financial condition in that specific financial year.

Impairment of goodwill may negatively affect our results of operation.

During the Track Record Period, we recognized goodwill of US\$20.0 million and US\$9.0 million in connection with our acquisition of nativeX, LLC and Game Analytics ApS in 2016, respectively. For details, see Note 13 of the Accountants' Report set out in Appendix I to this prospectus. Goodwill is tested for impairment annually. Determining whether the goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. The value of goodwill are based on forecasts involving a number of assumptions made by the management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to have a significant write-off of our goodwill and record a significant impairment loss, which could in turn adversely affect our results of operations. Based on our impairment assessment, no impairment loss was recognized during the Track Record Period.

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We may fail to detect money laundering and other illegal or improper activities in our business operations on a timely basis.

We operate globally, and we are required to comply with applicable anti-money laundering, anti-terrorism laws and regulations or sanction laws in the jurisdictions where we operate. These laws and regulations require us to establish sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting obligations. In the event that we fail to fully comply with applicable laws and regulations, the relevant government agencies may impose fines or other penalties on us. There can be no assurance that there will not be failures in detecting money laundering or other illegal or improper activities which may adversely affect our reputation, financial condition and results of operations.

A severe or prolonged downturn in the domestic or global economy could materially and adversely affect our business and financial condition.

We are a global company and had 12 offices around the world as of June 30, 2018. Our revenues from advertisers headquartered outside Greater China accounted for 55.1% and 35.7% of our total advertising revenues in 2017 and in the six months ended June 30, 2018. Consequently, our business is subject to the domestic and global economic conditions. The global macroeconomic environment is facing challenges. For example, the Chinese economy has shown slower growth since 2012 compared to the previous decade and the trend may continue. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa, which have resulted in market volatility. There have been concerns on the relationship between China and other countries, including the surrounding Asian countries, which may potentially have economic effects. There have also been concerns on the potential trade war initiated by the United States against China and other countries. Economic conditions in markets where we operate are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate. Any severe or prolonged slowdown in the global or the markets where we operate may materially and adversely affect our business, results of operations and financial condition. A severe or prolonged downturn in the domestic or global economy could materially and adversely affect our business and financial condition.

We face risks related to natural disasters and health epidemics.

Our business could be materially and adversely affected by natural disasters, health epidemics or other public safety concerns. Natural disasters may give rise to server interruptions, breakdowns, system failures, technology platform failures or Internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to operate our platform and provide services. Our business could also be adversely affected if our employees are affected by health epidemics. In addition, our results of operations could be adversely affected to the extent that any health epidemic harms the national economy in general. Our headquarters are located in Guangzhou, where most of our management and employees currently reside. Consequently, if any natural disasters, health epidemics or other public safety concerns were to affect Guangzhou or other cities in our other offices are located, our operation may experience material disruptions, which may materially and adversely affect our business, financial condition and results of operations.

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RISKS RELATING TO DOING BUSINESS IN CHINA

Adverse changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for our services and materially and adversely affect our competitive position.

A portion of our operations are conducted in China. Accordingly, our results of operations, financial condition and prospects are influenced by economic, political and legal developments in China. Economic reforms have resulted in significant economic growth in China in the past few decades. However, any economic reform policies or measures in China may from time to time be modified or revised. China's economy differs from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth in the past few decades, the rate of growth has slowed down since 2012, and growth has been uneven across different regions and among various economic sectors.

The PRC government exercises significant control over China's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Although the Chinese economy has grown significantly in the past decade, that growth may not continue and any slowdown may have a negative effect on our business. Any adverse changes in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China, could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our businesses, lead to reduction in demand for our products and adversely affect our competitive position.

The PRC legal system embodies uncertainties which could limit the legal protections available to us.

The PRC legal system is based on written statutes. Unlike common law systems, it is a system in which decided legal cases have little precedential value. The PRC legal system evolves rapidly, and the interpretations of many laws, regulations and rules may contain inconsistencies. Our PRC subsidiary is a wholly foreign-owned enterprise, as it was incorporated in China and is wholly owned by foreign investors. It is subject to laws and regulations applicable to foreign investment in China in general and laws and regulations applicable to wholly foreign-owned enterprises in particular. However, these laws, regulations and legal requirements are constantly changing and their interpretation and enforcement involve uncertainties. These uncertainties could limit the legal protections available to us. In addition, we cannot predict the effect of future developments in the PRC legal system, particularly with regard to Internet-related industries, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. Such unpredictability towards our contractual, property (including intellectual property) and procedural rights could adversely affect our business and impede our ability to continue our operations. Furthermore, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

PRC Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.

Under the PRC law, Renminbi is freely convertible into foreign currencies with respect to "current account" transactions, but not with respect to "capital account" transactions. We have not received income derived from dividend payments from our PRC subsidiaries in the past, but we may receive dividend payments from our PRC subsidiaries in the future. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency-denominated obligations. Approval or registration from SAFE or its local branch is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign

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currencies. Dividend payments are current account transactions, which can be made in foreign currencies by complying with certain procedural requirements but do not require prior approval from SAFE. The PRC government may also exercise its discretion to restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay dividends in foreign currencies to our shareholders.

Substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of the draft PRC Foreign Investment Law and how it may impact our business operations.

The Ministry of Commerce, or MOFCOM, published a discussion draft of the proposed Foreign Investment Law in January 2015 aiming to, upon its enactment, replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law. The draft Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. While the MOFCOM solicited public comments on this draft in 2015, substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of the draft PRC Foreign Investment Law. According to the State Council Legislative Work Plan for 2018 issued by the General Office under the State Council on March 2, 2018, the draft Foreign Investment Law will be submitted to National People's Congress Standing Committee for deliberation. However, the draft Foreign Investment Law, if enacted as proposed, may affect our business operations in certain aspects.

The draft Foreign Investment Law, if enacted as proposed, may affect our corporate governance practice and increase our compliance costs. For instance, the draft Foreign Investment Law proposed to impose stringent ad hoc and periodic information reporting requirements on foreign investors and the applicable foreign invested entities. Aside from investment implementation report and investment amendment report that are required at each investment and alteration of investment specifics, an annual report is mandatory, and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be non-compliant with the information reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to criminal liabilities.

Fluctuations in the value of the Renminbi may materially and adversely affect your investment.

The conversion of Renminbi into foreign currencies, including Hong Kong dollar and U.S. dollars, is based on rates set by the People's Bank of China. On November 30, 2015, the Executive Board of the International Monetary Fund ("IMF") completed the regular five-year review of the basket of currencies that make up the Special Drawing Right ("SDR") and decided that with effect from October 1, 2016, Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen, and the British pound. With the development of the foreign exchange market and progress toward interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or the U.S. dollar in the future.

The net proceeds from the Global Offering are expected to be deposited overseas in currencies other than Renminbi. In case we decide to use a portion of the proceeds in China, we need to obtain necessary approvals and filings from relevant PRC regulatory authorities to convert these proceeds into onshore Renminbi. If the net proceeds cannot be converted into onshore Renminbi in a timely manner, our ability to deploy these proceeds efficiently may be affected, as we will not be able to invest these proceeds on RMB-denominated assets onshore or deploy them in uses onshore where Renminbi is required, which may adversely affect our business, results of operation and financial condition.

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PRC regulations on loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from making loans or additional capital contributions to our PRC entities.

As an offshore holding company of our PRC subsidiaries, we may make loans to our PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries. Such loans to our subsidiaries in China and capital contributions are subject to PRC regulations and approvals. For example, loans by us to our subsidiaries cannot exceed statutory limits and must be registered with SAFE or its local branch. Capital contributions to our PRC subsidiaries must be approved by or filed with the PRC Ministry of Commerce or its local counterpart. In addition, the PRC government also restricts the convertibility of foreign currencies into Renminbi and use of the proceeds in case we use a portion of the proceeds in China. On March 30, 2015, SAFE promulgated the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》, “SAFE Circular 19”), which took effect and replaced certain previous SAFE regulations from June 1, 2015. SAFE further promulgated the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》, the “SAFE Circular 16”), effective on June 9, 2016, which, among other things, amend certain provisions of SAFE Circular 19. We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or with respect to future capital contributions by us to our PRC subsidiaries. Violations of the applicable circulars and rules may result in severe penalties, including substantial fines as set forth in the Foreign Exchange Administration Regulations. If we fail to complete such registrations or obtain such approvals, our ability to contribute additional capital to fund our PRC operations may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

PRC rules on mergers and acquisitions may make it more difficult for us to pursue growth through acquisitions in China.

On August 8, 2006, six PRC regulatory agencies, including the Ministry of Commerce and China Securities Regulatory Commission (“CSRC”), promulgated the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, which became effective on September 8, 2006 and was amended on June 22, 2009. Among other things, the M&A Rules and recently issued regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. Moreover, the Anti-Monopoly Law (《中華人民共和國反壟斷法》) requires that the Ministry of Commerce shall be notified in advance of any concentration of undertakings if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings (《國務院關於經營者集中申報標準的規定》), issued by the State Council on August 3, 2008, are triggered. According to the Implementing Rules Concerning Security Review on the Mergers and Acquisitions by Foreign Investors of Domestic Enterprises (《商務部實施外國投資者併購境內企業安全審查制度的規定》) issued by the Ministry of Commerce in August 2011, mergers and acquisitions by foreign investors involved in an industry related to national security are subject to strict review by the Ministry of Commerce. These rules also prohibit any transactions attempting to bypass such security review, including by controlling entities through contractual arrangements. We believe that our business is not in an industry related to national security. However, we cannot preclude the possibility that the Ministry of Commerce or other government agencies may publish interpretations contrary to our understanding or broaden the scope of such security review in the future. We may elect to grow our business in the future in part by directly acquiring complementary businesses in China. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the Ministry of Commerce, may delay or inhibit our ability to complete such transactions.

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Enforcement of stricter labor laws and regulations may adversely affect our business and our profitability.

As of June 30, 2018, we had a total number of 581 employees and approximately 88% of them were located in our offices in China. We have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees.

Pursuant to the PRC Labor Contract Law, or the Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. According to the PRC Social Insurance Law, employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance and the employers must, together with their employees or separately, pay the social insurance premiums for such employees.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices do not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labor-related law and regulations regarding including those relating to obligations to make social insurance payments and contribute to the housing provident fund. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations will be adversely affected.

If we receive dividends from our subsidiaries in the PRC, such dividends may be subject to PRC withholding tax, which could materially and adversely affect the amount of dividends, if any, we may pay our shareholders.

We are a holding company incorporated under the laws of Cayman Islands and have subsidiaries in the PRC, from which we may receive dividends. Pursuant to the PRC Enterprise Income Tax Law 《中華人民共和國企業所得稅法》, a withholding tax rate of 10% currently applies to dividends paid by a PRC “resident enterprise” to a foreign enterprise, unless the jurisdiction of the foreign investor's tax residence has a tax treaty with China that provides for preferential tax treatment. Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income 《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》, or the Double Tax Avoidance Arrangement and relevant PRC tax laws on the interpretation of the Arrangement, a preferential withholding tax rate of 5% may apply if the PRC enterprise is at least 25% held by the Hong Kong enterprise for at least 12 consecutive months prior to distribution of the dividends and certain other conditions, e.g., the beneficial ownership requirement, are met. Furthermore, under the the Announcement of the State Administration of Taxation on Promulgating the Administrative Measures for Tax Convention Treatment for Non-resident Taxpayers 《國家稅務總局關於發佈〈非居民納稅人享受稅收稅收協定待遇管理辦法〉的公告》, which was issued in August 2015, the applicant for the preferential withholding rate is required to make a recordal with its in-charge tax authority and submit all the requisite application materials. No government approval for the application is required, although the relevant tax authorities may challenge the applicability of the preferential withholding rate later on. See “Regulatory Overview—Laws and Regulations in the PRC—Regulations Relating to Tax” in this prospectus. We cannot assure you that our determination regarding our qualification to enjoy the preferential tax treatment will not be challenged by the relevant PRC tax authority or we will be able to complete the necessary filings with the relevant PRC tax authority and enjoy the preferential withholding tax rate under the Double Taxation Arrangement with respect to dividends to be paid by our PRC subsidiaries to MIT HK.

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We may be classified as a PRC resident enterprise for PRC income tax purposes, which could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the SAT issued the Circular of the State Administration of Taxation on Issues Concerning the Identification of Chinese-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance With the Actual Standards of Organizational Management 《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》, known as SAT Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. See “Regulatory Overview—Laws and Regulations in the PRC—Regulations Relating to Tax” in this prospectus. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” As substantially all of our management members are based in China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that MIT HK or any of our subsidiaries outside of China is a PRC resident enterprise for PRC enterprise income tax purposes, then such subsidiary could be subject to PRC tax at a rate of 25% on its world-wide income, which could materially reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the shares.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC shareholders.

According to the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises 《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》, or SAT Circular 7, promulgated by the SAT in February 2015 and further revised in October and December 2017, if a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly through the transfer of the equity interests of an offshore holding company (other than the purchase and sale of shares issued by a PRC resident enterprise in public securities market) without a reasonable commercial purpose, the PRC tax authorities have the power to reassess the nature of the transaction and treat the indirect equity transfer as a direct transfer. As a result, the gain derived from such transfer, i.e., the transfer price minus the cost of equity, will be subject to PRC withholding tax at a rate of

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up to 10%. Under the terms of SAT Circular 7, a transfer that meets all of the following circumstances shall be directly deemed as having no reasonable commercial purposes: (i) over 75% of the value of the equity interests of the offshore holding company are directly or indirectly derived from PRC taxable properties; (ii) at any time during the year before the indirect transfer, over 90% of the total properties of the offshore holding company are investments within PRC territory, or in the year before the indirect transfer, over 90% of the offshore holding company's revenues is directly or indirectly derived from PRC territory; (iii) the function performed and risks assumed by the offshore holding company are insufficient to substantiate its corporate existence; or (iv) the foreign income tax imposed on the indirect transfer is lower than the PRC tax imposed on the direct transfer of the PRC taxable properties.

On October 17, 2017, the SAT released Public Notice Regarding Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source 《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》, or SAT Public Notice 37, effect from December 1, 2017. SAT Public Notice 37 made certain key changes to the current withholding regime including, such as (i) the withholding obligation for non-resident enterprise receiving dividend arises on the day the payment is actually made rather than on the day of the resolution to declare the dividends; (ii) the provision that non-resident enterprise shall self-report tax within seven days if their withholding agents fail to withhold is removed, etc.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring and sale of the shares in our offshore subsidiaries. We and our non-PRC resident investors may be subject to filing obligations in such transactions, under SAT Circular 7. For transfer of shares in our company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist with the filing under SAT Circular 7. As a result, we may be required to expend valuable resources to comply with SAT Circular 7 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circumstances, which may have a material adverse effect on our financial condition and results of operations.

It may be difficult to effect service of process upon us, our Directors or our executive officers that reside in the PRC or to enforce against them or us in the PRC any judgments obtained from non-PRC courts.

Some of our business, assets, operations and subsidiaries are located in the PRC. In addition, all our senior management members reside in the PRC, and some of our assets, and the assets of those persons, are located in the PRC. Therefore, it may be difficult for investors to effect service of process upon those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan and many other developed countries. Therefore, recognition and enforcement in China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

Moreover, the legal framework to which our Company is subject is materially different from the Companies Ordinance or corporate law in the United States and other jurisdictions with respect to certain areas, including the protection of minority shareholders. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which we are subject are also relatively undeveloped and untested. However, according to the Company Law of the PRC (the “**PRC Company Law**”), shareholders may commence a derivative action against the directors, supervisors, officers or any third party on behalf of a company under certain circumstances.

In July 2006, the Supreme People's Court of the PRC and the Government of Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned 《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》. Under such an arrangement, where any designated people's court in the PRC or any designated Hong Kong court has made an enforceable final judgment requiring

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payment of money in a civil and commercial case pursuant to a choice of court agreement in writing by the parties, any party concerned may apply to the relevant people's court in the PRC or Hong Kong court for recognition and enforcement of the judgment. Although this arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under the arrangement still remain uncertain.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company, replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures.

In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted options or other awards will be subject to these regulations when our Company becomes an overseas-listed company upon Listing. Failure to complete SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law. See "Regulatory Overview — Laws and Regulations in the PRC — Regulations on Stock Incentive Plans" in this Prospectus.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for the Shares and an active trading market may not develop.

Prior to completion of the Global Offering, there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

The trading price of our Shares may be volatile, which could result in substantial losses to you.

The trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

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Investors will experience immediate dilution.

As the Offer Price of our Shares is higher than the consolidated net tangible assets per share immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience an immediate dilution. Our existing Shareholders will receive an increase in the pro forma adjusted combined net tangible asset value per share of their shares. In addition, holders of our Shares may experience further dilution of their interest if the Underwriters exercise the Over-allotment Option or if we issue additional shares in the future to raise additional capital.

Future sales or perceived sales of substantial amounts of our Shares in the public market could have a material adverse effect on the prevailing market price of our Shares and our ability to raise additional capital in the future.

The market price of our Shares could decline as a result of substantial future sales of our Shares or other securities relating to Shares in the public market. Such a decline could also occur with the issuance of new Shares or other securities relating to our Shares, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our Shares could materially adversely affect the prevailing market price of our Shares and our ability to raise future capital at a favorable time and price. Our shareholders would experience a dilution in their holdings upon the issuance or sale of additional securities for any purpose.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our Shares, the market price and trading volume of our Shares may decline.

The trading market for our Shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Shares, the price of our Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

As our Board has full discretion to whether to recommend dividends, you may not receive dividends and may rely on price appreciation of our Shares for a return on your investment.

Our Board has full discretion as to whether to recommend dividends. In addition, our shareholders may in a general meeting also declare dividends, provided that no dividends shall exceed the amount recommended by our Directors. In either case, in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. Even if our Board decides to recommend such dividends to our shareholders, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions (if any) received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value after the Global Offering or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.

Investors may experience difficulties in enforcing Shareholder rights.

Our Company is an exempted company incorporated in the Cayman Islands with limited liability and the laws of the Cayman Islands differ in some respects from those of Hong Kong or other jurisdictions where investors may be located. The corporate affairs of our Company are governed by the Memorandum and the Articles, the Companies Law and the common law of the Cayman Islands. The rights of Shareholders to take

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legal action against our Company and/or our Directors, actions by minority Shareholders and the fiduciary duties of our Directors to our Company under Cayman Islands laws are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. Shareholders may have different remedies in exercising their rights in the face of actions taken by the management of our Company, Directors or major Shareholders than they would as shareholders of a Hong Kong company or company incorporated in other jurisdictions.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications, market data providers and other independent third-party sources, including the industry expert reports, contained in this prospectus.

This prospectus, particularly the section headed “Industry Overview” in this prospectus contains information and statistics relating to the mobile and certain Internet-related industries. Such information and statistics have been derived from third-party reports commissioned by us, various government publications and other publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information has not been independently verified by us, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other party involved in the Global Offering, and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics included in this prospectus being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

There may be, subsequent to the date of this document but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.

You should rely solely upon the information contained in this document, the Global Offering and any formal announcements made by us in Hong Kong in making your investment decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our Global Offering. By applying to purchase our Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the Global Offering.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

We do not have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. Our Group's management, business operations and assets are primarily based outside Hong Kong. The principal management headquarters and senior management of our Group are primarily based in China. The Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company and its Shareholders as a whole. We are of the view that it would be unduly onerous and burdensome and of no particular benefit to the investing public to require at least two executive Directors to be based in Hong Kong as the arrangements mentioned below should be sufficient to maintain effective communication between us and the Stock Exchange. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, namely Mr. Cao and Ms. SO Shuk Yi Betty, to be the principal communication channel at all times between the Stock Exchange and our Company. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange;
- (b) we will implement a policy to provide the contact details of each Director (including mobile phone numbers, fax numbers, office phone numbers and email addresses) to each of the authorized representatives and to the Stock Exchange. This will ensure that each of the authorized representatives and the Stock Exchange will have the means to contact all the Directors (including the independent non-executive Directors) promptly as and when required, including means to communicate with the Directors when they are travelling;
- (c) we will ensure that all Directors who are not ordinarily resident in Hong Kong have valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the Stock Exchange within a reasonable period of time when required; and
- (d) we have retained the services of a compliance advisor, being Guotai Junan Capital Limited (the **"Compliance Advisor"**), in accordance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will serve as a channel of communication with the Stock Exchange in addition to the authorized representatives of our Company. The Compliance Advisor will provide our Company with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Advisor has prompt access to our Company's authorized representatives and Directors who will provide to the Compliance Advisor such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor's duties. The Compliance Advisor will also provide advice to our Company when consulted by our Company in compliance with Rule 3A.23 of the Listing Rules; and meetings between the Stock Exchange and the Directors could be arranged through the authorized representatives or the Compliance Advisor, or directly with the Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives and/or the Compliance Advisor in accordance with the Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note (1) to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a Member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note (2) to Rule 3.28 of the Listing Rules, in assessing “relevant experience” the Stock Exchange will consider the individual’s:

- (d) length of employment with the issuer and other issuers and the roles he or she played;
- (e) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (f) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (g) professional qualifications in other jurisdictions.

We have appointed Mr. QIAN Cheng as one of the joint company secretaries. Mr. Qian has been serving as the secretary of the board of MIT HK since July 2016. He also served as the manager of the securities department of Guangzhou Mobvista from August 2016 to October 2016; and he has been serving as a director and the secretary of the board of Guangzhou Mobvista since October 2016. Before joining us, Mr. Qian served as the senior vice president of the investment banking department at CSC Financial Co., Ltd. (中信建投證券股份有限公司) (HKEx Stock Code: 6066) from January 2015 to July 2016 and primarily focused on mergers and acquisition and restructuring in TMT industry, and as the senior manager of the same entity from November 2010 to December 2014. Prior to that, he worked at The Pacific Securities Co., Ltd. (太平洋證券股份有限公司) (Shanghai Stock Exchange Stock Code: 601099) from June 2007 to November 2010, and started to engage in general securities business since April 2008. However, Mr. Qian may not possess all the qualifications and sufficient relevant experience as stipulated in the Notes to Rule 3.28 of the Listing Rules and may not be able to solely fulfill the requirements as stipulated under Rule 3.28 and Rule 8.17 of the Listing Rules. As such, our Company has appointed and engaged, Ms. So, who possesses the requisite qualification and experience as required under Rule 3.28 of the Listing Rules, to act as another joint company secretary of our Company and to provide assistance to Mr. Qian for an initial period of three years from the Listing Date so as to ensure that Mr. Qian would be able to acquire the necessary experience to satisfy the requirements of Rule 3.28 of the Listing Rules. Mr. Qian will work closely with Ms. So to jointly discharge the duties and responsibilities as joint company secretaries with reference to their past experience and education background.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Qian may be appointed as a joint company secretary of our Company.

The waiver was granted for a three-year period on the condition that Ms. So, as joint company secretary, will work closely with, and provide assistance to, Mr. Qian in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

The waiver will be revoked with immediate effect if Ms. So ceases to provide assistance to Mr. Qian during the three-year period from the Listing Date. Ms. So will communicate regularly with Mr. Qian on matters relating to corporate governance, the Listing Rules as well as other applicable Hong Kong laws and regulations which are relevant to the operations and affairs of the Company. In addition, Mr. Qian will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the Listing Date. Our Company will further ensure that Mr. Qian has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Both Mr. Qian and Ms. So will be advised by a Hong Kong legal adviser engaged by our Company as to Hong Kong laws and our Company's Compliance Advisor when required. The qualifications and experience of Mr. Qian and the need for on-going assistance of Ms. So will be further evaluated by our Company before the expiration of the initial three-year period. We will liaise with the Stock Exchange to enable it to assess whether Mr. Qian, having benefited from the assistance of Ms. So for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note (2) to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See "Directors and Senior Management" in this prospectus for further information regarding the qualifications of Mr. Qian and Ms. So.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute non-exempt continuing connected transactions of our Company under the Listing Rules upon the Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers in relation to certain continuing connected transactions between us and certain connected persons under Chapter 14A of the Listing Rules. See the section headed "Connected Transactions" in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong (as amended or supplemented from time to time)), the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong (as amended or supplemented from time to time)) and the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

INFORMATION ABOUT THIS PROSPECTUS

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Global Offering or to make any representation not contained in this prospectus and the relevant Application Forms, and any information or representation not contained herein and therein must not be relied upon as having been authorised by the Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Global Offering. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the Company's affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

SELLING RESTRICTIONS

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus and on the relevant Application Forms.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus, and the offering of the Offer Shares, in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, including the Offer Shares and any Shares which may be issued pursuant to the Over-allotment Option and any Shares which may be issued under the RSU Schemes and the Share Option Scheme).

Save as disclosed in this prospectus, no part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by or on behalf of the Stock Exchange.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants in the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering.

The Listing is sponsored by the Joint Sponsors. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement. The International Purchase Agreement relating to the International Offering is expected to be entered into on or around the Price Determination Date, subject to agreement on the Offer Price between the Joint Global Coordinators (on behalf of the Underwriters) and us. The Global Offering is managed by the Joint Global Coordinators.

If, for any reason, the Offer Price is not agreed, the Global Offering will not proceed and will lapse. See “Underwriting” in this prospectus.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed “Structure of the Global Offering” in this prospectus.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The application procedures for the Hong Kong Offer Shares are set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus and on the relevant Application Forms.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Main Board of the Stock Exchange are expected to commence on Wednesday, December 12, 2018. The Shares will be treated on the Main Board of the Stock Exchange in board lots of 1,000 Shares each. The stock code of the Shares will be 1860.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

REGISTERS AND HONG KONG STAMP DUTY

The Company's principal register of members will be maintained by the Company's principal registrar, Maples Fund Services (Cayman) Limited, in the Cayman Islands and the Company's Hong Kong register of members will be maintained by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong.

All Offer Shares will be registered on the Hong Kong register of members of the Company in Hong Kong. Dealings in the Shares registered on the Hong Kong register of members will be subject to Hong Kong stamp duty.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, and dealing in the Offer Shares (or exercising rights attached to them). None of us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of the Company's or their respective directors, agents, employees or advisers or any other party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, the Shares.

EXCHANGE RATE CONVERSION

Solely for convenience purposes, this prospectus includes translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the Renminbi amounts could actually be converted into another currency at the rates indicated, or at all. Unless otherwise indicated, (i) the translation between Renminbi and Hong Kong dollars was made at the rate of RMB0.8858 to HK\$1.00, the exchange rate prevailing on November 16, 2018 published by the PBOC for foreign exchange transactions and (ii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.8306 to US\$1, being the noon buying rate as set forth in the H.10 statistical release of the United States Reserve Board on November 16, 2018.

ROUNDING

Unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

TRANSLATION

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. Translated English names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities included in this prospectus for which no official English translation exists are unofficial translation for reference only.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. DUAN Wei (段威)	Room 602, Phase 1 Building 4, Xinghewanshangxin Garden Panyu District Guangzhou, Guangdong Province PRC	Chinese
Mr. CAO Xiaohuan (曹曉歡)	Room 503, Building 4, Hupan Garden Suzhou Industrial Park Suzhou, Jiangsu Province PRC	Chinese
Mr. XI Yuan (奚原)	Room 1-101, Building 200 Liujiacun, Fengtai District Beijing PRC	Chinese
Mr. FANG Zikai (方子愷)	Room 2-602, Building 6, District 6 of Longteng Garden Huilongguan Town, Changping District Beijing PRC	Chinese
Independent non-executive Directors		
Mr. YING Lei (應雷)	No. 18, Lane 79 Yueyang Road, Xuhui District Shanghai PRC	Chinese
Mr. WANG Jianxin (王建新)	Room 405, Building H1 Dingtaifenghua Garden, Qianhai Road Nanshan District Shenzhen, Guangdong Province PRC	Chinese
Mr. HU Jie (胡杰)	No. 24, Shuiyin Road Yuxiu District Guangzhou, Guangdong Province PRC	Chinese

Further information is disclosed in the section headed “Directors and Senior Management” in this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

UBS Securities Hong Kong Limited
52/F, 2 International Finance Center
8 Finance Street
Central
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Joint Global Coordinators

UBS AG Hong Kong Branch
52/F, 2 International Finance Center
8 Finance Street
Central
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Joint Bookrunners

UBS AG Hong Kong Branch
52/F, 2 International Finance Centre
8 Finance Street
Central
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

AMTD Global Markets Limited
23/F-25/F, Nexxus Building
41 Connaught Road Central
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Lead Managers

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

China Industrial Securities International Capital Limited
7/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

UBS AG Hong Kong Branch
52/F, 2 International Finance Centre
8 Finance Street
Central
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

AMTD Global Markets Limited
23/F-25/F, Nexxus Building
41 Connaught Road Central
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

China Industrial Securities International Capital Limited
7/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

SPDB International Capital Limited
Suites 3207-3212, 32/F, One Pacific Place
88 Queensway
Admiralty
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal Advisors to the Company

As to Hong Kong law and United States law
Kirkland & Ellis
26th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law
JunHe LLP
26/F, HKRI Centre One, HKRI Taikoo Hui
288 Shimen Road (No.1)
Shanghai
PRC

As to Cayman Islands law
Maples and Calder (Hong Kong) LLP
53rd Floor, The Center
99 Queen's Road Central
Hong Kong

Legal Advisors to the Underwriters

As to Hong Kong law and United States law
Ashurst Hong Kong
11/F, Jardine House
1 Connaught Place
Central
Hong Kong

As to PRC law
Commerce & Finance Law Offices
6th Floor, NCI Tower
A12 Jianguomenwai Avenue
Beijing
China

Reporting Accountants and Independent Auditor

Certified Public Accountants
KPMG
8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

Industry Consultant

Shanghai iResearch Co., Ltd
Room 701, Building B
CCIG International Plaza
333 North Caoxi Road
Shanghai
PRC

Receiving Bank

Standard Chartered Bank (Hong Kong) Limited
15/F Standard Chartered Tower
388 Kwun Tong Road, Kwun Tong
Kowloon
Hong Kong

CORPORATE INFORMATION

Headquarters	43/F-44/F, Tianying Plaza (East Tower) No. 222-3 Xingmin Road Zhujiang New Town, Tianhe District Guangzhou, Guangdong Province PRC
Principal Place of Business in Hong Kong	40th Floor, Sunlight Tower No. 248 Queen's Road East Wanchai Hong Kong
Registered Office in the Cayman Islands	P.O. Box 309 Ugland House Grand Cayman, KY1-1104 Cayman Islands
Company Website	www.mobvista.com <i>(the information contained on the website does not form part of this prospectus)</i>
Joint Company Secretaries	Mr. QIAN Cheng (錢程) Ms. SO Shuk Yi Betty (蘇淑儀) <i>(a fellow member of The Hong Kong Institute of Chartered Secretaries and an associate of The Institute of Chartered Secretaries and Administrators)</i>
Authorized Representatives	Mr. CAO Xiaohuan (曹曉歡) Room 503, Building 4, Hupan Garden Suzhou Industrial Park Suzhou, Jiangsu Province PRC Ms. SO Shuk Yi Betty (蘇淑儀) 40th Floor, Sunlight Tower No. 248 Queen's Road East Wanchai Hong Kong
Audit Committee	Mr. WANG Jianxin (王建新) <i>(Chairman)</i> Mr. YING Lei (應雷) Mr. HU Jie (胡杰)
Remuneration Committee	Mr. YING Lei (應雷) <i>(Chairman)</i> Mr. CAO Xiaohuan (曹曉歡) Mr. HU Jie (胡杰)
Nomination Committee	Mr. DUAN Wei (段威) <i>(Chairman)</i> Mr. YING Lei (應雷) Mr. HU Jie (胡杰)

CORPORATE INFORMATION

**Principal Share Registrar and
Transfer Office**

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

Compliance Advisor

Guotai Junan Capital Limited
27/F, Low Block Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Principal Banker

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

INDUSTRY OVERVIEW

The information presented in this section, unless otherwise indicated, is derived from various official government publications and other publications and from the market research report prepared by iResearch, which was commissioned by us. We believe that the information has been derived from appropriate sources and we have taken reasonable care in extracting and reproducing the information. We have no reason to believe that the information is false or misleading in any material respect or that any fact has been omitted that would render the information false or misleading in any material respect. The information has not been independently verified by us, the Joint Sponsors or any of our or their respective directors, officers or representatives or any other person involved in the Global Offering nor is any representation given as to its accuracy or completeness. The information and statistics contained in this section may not be consistent with other information and statistics compiled elsewhere.

SOURCE OF INFORMATION

Founded in 2002, iResearch is a leading provider of online user data and consumer insights in China. Headquartered in Beijing and Shanghai, iResearch has a management team with over 400 employees worldwide and has accumulated extensive experience in researching and monitoring the development of the Internet industry in the PRC.

We have agreed to pay a commission fee of RMB980,000 for the iResearch Report. Data for the iResearch Report on market size and online users is mainly obtained through interviews with industry participants, marketing surveys, secondary sources and other research methods.

iResearch has prepared the iResearch Report on the assumptions that (i) the social, economic and political environments of global and China will remain stable during the forecast period, which will ensure a sustainable and steady development of mobile advertising industry; (ii) the data quoted from authoritative agencies remain unchanged; and (iii) the revenue-sharing arrangements among the market participants follow market standards. iResearch believes that the basic assumptions used in preparing the iResearch Report, including those used to make future projections, are correct and not misleading.

After making reasonable inquiries, our Directors confirm that there has been no adverse change in the market information presented in the iResearch Report since the date of its issuance which may qualify, contradict or impact the information in this section.

GLOBAL MOBILE APP DEVELOPMENT

The proliferation of global mobile Internet has developed significantly in recent years. According to the iResearch Report, due to decreases in cost of data and improvements in device hardware, the number of global mobile Internet users increased from 2.3 billion in 2013 to 3.9 billion in 2017 at a CAGR of 14.1%, and is projected to reach 6.0 billion in 2022 at a CAGR of 9.1%. As a result, the global mobile penetration rate increased from 33.2% in 2013 to 50.8% in 2017, and is projected to reach 68.6% in 2022. The relatively low mobile penetration rate in emerging markets indicates significant potential for the development of mobile Internet in such markets. According to the iResearch Report, the daily average time spent on mobile Internet by mobile users globally increased from 2.0 hours in 2013 to 3.7 hours in 2017, and is projected to reach 4.4 hours in 2022. This increasing time spent on mobile devices makes mobile users more exposed to various types of content, including advertisements, thereby creating an enormous market for mobile advertising.

INDUSTRY OVERVIEW

Due to the development of mobile Internet, people increasingly rely on apps in their everyday lives. According to the iResearch Report, global app annual downloads increased from 84.1 billion in 2013 to 192.1 billion in 2017 at a CAGR of 22.9%, and is projected to further increase to 306.2 billion in 2022 at a CAGR of 9.8%.

As demands from mobile users around the world are similar in nature, the development trend of the app market in each country is also similar. In an early stage of development, apps are mainly focused on utilities and online social networking with minimal or no offline integration. With the improvement of mobile device performance, network infrastructure and logistics, more specialized apps emerged, such as news aggregation, games, e-commerce and pan-entertainment, which tend to integrate more with users' offline lives and local culture and also require more localization efforts from developers.

As the extent of the development of mobile Internet and infrastructure is different, the development stage of the app market in each country may be different. According to the iResearch Report, countries can be generally categorized into three tiers based on the development stage of their app market. Countries with well-established app markets include China and the United States, whose developers developed over 70% of the global top 50 apps by download. Countries with emerging app markets include Japan, South Korea and some European countries, which are sources of fewer top-tier apps than well-established countries, but with strong local developers for certain app categories such as games. Elsewhere in the world, the app market is less developed due to relatively weak mobile Internet infrastructure.

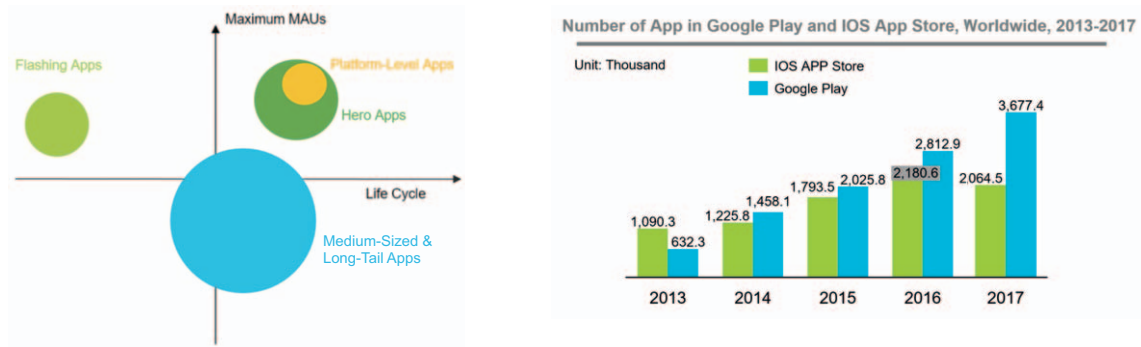
According to the iResearch Report, the differences in the development stage of apps among countries is a driver for app globalization from more established markets to less established markets. Apps popular in less established markets are currently primarily developed by developers in well-established and emerging markets, particularly China and the United States, due to their successful overseas expansion and strengths in technology, experience and financial support. Most apps in countries with less established markets are focusing on utilities and online social networking with limited offline integration. However, users in such countries are expected to need more apps that integrate with their local lives, service and culture as their app markets mature. As a result, developers are required to have better understandings of local culture, user preferences and regulatory environments in order to succeed in these markets.

According to the iResearch Report, apps can be divided into four categories based on MAUs and life cycle:

- *Platform-level apps*, or typically social apps that can reach the largest number of users such as Facebook, Twitter, WeChat and Weibo;
- *Hero apps*, or apps that can accumulate large numbers of users and with long life cycles, that can typically gather high quality traffic;
- *Flashing apps*, or apps that have a large number of users but can typically retain them for only less than six months; and
- *Medium-sized and long-tail apps*, or apps with relatively fewer users. A significant number of medium-sized and long-tail apps exist in the market.

INDUSTRY OVERVIEW

The following chart sets out the indication of the four categories of apps explained above and the number of apps in Google Play and iOS App Store worldwide from 2013 to 2017:



Source: iResearch Report

As the number of platform-level and hero apps in the market are limited, there are a large number of flashing apps and medium-sized and long-tail apps with smaller user bases. According to the iResearch Report, as a large number of apps compete for a limited number of high exposure placements in app store rankings lists, more than half of apps are typically never seen by app store users, leading to them having enormous demand for user acquisition, which is mainly measured by the number of downloads and typically conducted through advertising. As (i) only a portion of mobile apps have in-app purchase features and (ii) less than 10% of mobile app users actually make in-app purchases, advertising has become the most profitable, and often the only, method for app developers to monetize. Unlike platform-level apps that can easily fulfil their user acquisition and monetization needs, medium-sized and long-tail apps need advertising platforms to help them achieve user acquisition and monetization through precise and refined advertising services. In addition, due to increasing user acquisition costs, app developers tend to allocate larger advertising budgets and select effective channels to increase the exposure of their apps and to find more cost-efficient ways to run advertising campaigns and acquire new users.

GLOBAL MOBILE ADVERTISING MARKET

The development of the global mobile advertising market has been substantially driven by the improvement of mobile Internet technology, optimization of mobile content and increase in mobile traffic. In the early stages of the mobile advertising market, traffic on mobile devices was low and advertising was typically in the form of text and multimedia messages. Starting in 2004, the advent of wireless application protocols, or standards for accessing information over a mobile wireless network, increased mobile traffic substantially. Subsequently, the increase of smartphone shipments and improvement of hardware performance since 2011 has led to a significant increase, of the number of apps, driving the rapid growth of the mobile advertising market to surpass the traditional PC Internet advertising market in 2017. Moreover, the development of programmatic advertising started in around 2012 and is becoming increasingly prevalent. As the mobile advertising industry develops, user acquisition and monetization demands from app developers are becoming even stronger.

Mobile Advertising Participants

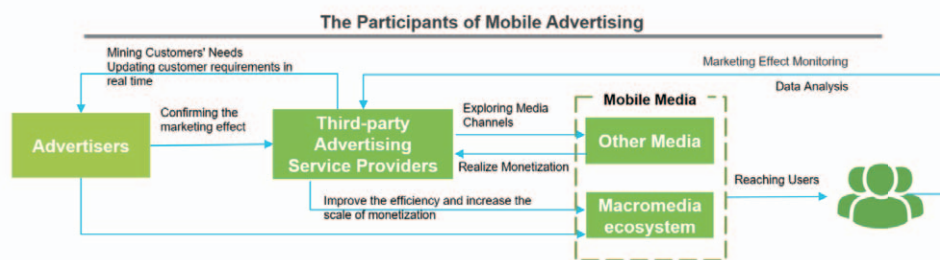
The five key participants in the mobile advertising market are advertisers, third-party advertising service providers, top media in the macromedia ecosystem, app developers providing mobile media other than top media and mobile device users. Mobile media, including all types of apps such as games, content aggregators and social media apps, supply user traffic and achieve monetization through mobile advertising.

INDUSTRY OVERVIEW

Advertisers often place multiple forms of advertisements on a variety of mobile media to reach global users. However, most developers do not have the resources to establish proprietary mobile advertising platforms to offer their own ad inventory. As a result, they primarily offer ad inventory through third-party advertising service providers to achieve their monetization goals. In contrast, top media such as Google and Facebook primarily offer ad inventory on their proprietary advertising platforms and cooperate with advertisers directly. They also offer ad inventory through third-party advertising service providers to improve monetization efficiency and scale, especially in overseas markets where they have less market presence.

Third-party advertising service providers, such as third-party advertising platforms, connect advertisers and mobile media. These third-party service providers offer advertisers innovative and cost-effective ways to optimize their mobile advertising campaigns throughout the life cycle of their apps and achieve their performance-based user acquisition goals. Their integrated data-driven services help advertisers discover, engage and activate potential users, monitor and measure the results of marketing campaigns, and create content catering to potential users across different content distribution channels through mobile devices. These service providers also offer tools and services to app developers that allow their apps to deliver ads in various forms such as banners, interactive rich media and videos. Third-party advertising service providers connect mobile media with advertisers of all sizes. Mobile media publishers supply service providers with ad inventory. Certain third-party advertising service providers with strong technology capabilities also analyze ad interaction and performance data to achieve more accurate audience profiling and more precise targeting in advertising campaigns. Leading third-party advertising platforms usually reach billions of devices via SDK and process tens of billions of requests worldwide per day, which requires rapid response time of milliseconds. In order to do this with huge numbers of devices information, a highly scalable data processing platform is of essence to these advertising platforms. Within the whole industry, only leading third-party advertising networks and other several top companies, for example, Google, Facebook, Amazon, Tencent and Alibaba, have ability to process such huge volume of data. Therefore, leading third-party advertising platforms have also developed into leading technology platforms.

The following flowchart illustrates the participants in mobile advertising process:



Source: iResearch Report

Non-programmatic and Programmatic Advertising

According to the iResearch Report, key parts of the mobile advertising industry chain include demand side platforms (DSP), supply side platforms (SSP), data management platforms (DMP), ad exchanges and ad networks. These parts enable both programmatic advertising and non-programmatic advertising.

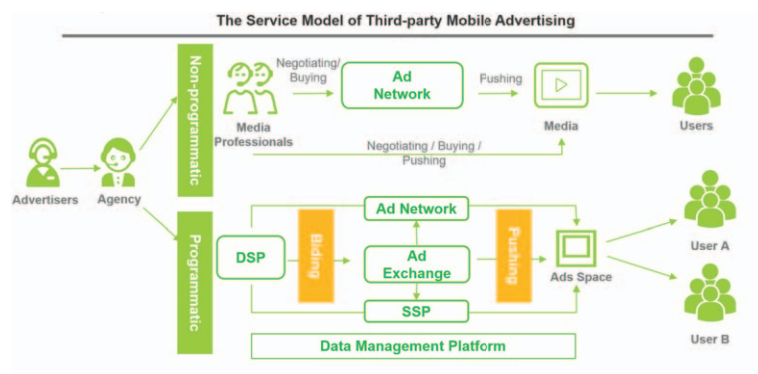
Non-programmatic advertising is typically in the form of: (i) advertisers purchasing ad inventory on ad networks through a third-party advertising platform, where ad networks typically act as intermediaries aggregating small traffic sources; and (ii) advertisers purchasing ad inventory on media (typically top media that have proprietary advertising platforms) through a third-party advertising platform in the form of media

INDUSTRY OVERVIEW

buy, an approach where such third-party advertising platform purchases ad inventory on behalf of advertisers through their respective accounts with the top media. These forms of ad inventory purchase mainly involve offline and manual procedures and communications.

Programmatic advertising features automatic buying and selling of ad inventory and automatic ad delivery. Programmatic advertising typically involves: (i) the DSP and SSP of third-party advertising platforms, which connect advertisers and publishers on third-party advertising platforms, respectively, (ii) ad exchanges, or transaction platforms facilitating the buying and selling of ad inventory from multiple ad networks through bidding, and (iii) data management, platforms for centralized advertising data collection and management. One advantage of programmatic ad inventory transactions is that they can be done through real-time bidding, where ad inventories are bought and sold on via instantaneous programmatic auction. In addition, programmatic advertising can achieve more precise targeting by analyzing multi-dimensional mobile device and ad interaction data collected through SDK or API integration. Programmatic advertising can also improve the efficiency of and reduce costs related to ad inventory transactions and achieve automatic ad delivery.

The following flowchart illustrates the non-programmatic and programmatic mobile advertising processes:



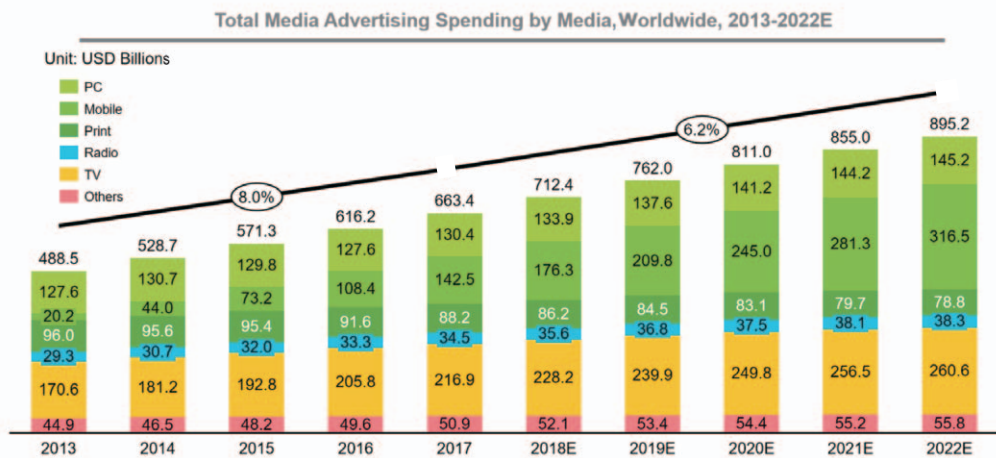
Source: iResearch Report

Scale of the Mobile Advertising Market

According to the iResearch Report, global total media advertising spending increased from US\$488.5 billion in 2013 to US\$663.4 billion in 2017, and is expected to reach US\$895.2 billion in 2022. The proportion of advertising spending on traditional media like print, radio and TV out of total media advertising spending has decreased since 2013 and is expected to continue to decrease. At the same time, mobile advertising spending as a percentage of total advertising spending is rapidly increasing in line with overall time spent on mobile devices by users. According to the iResearch Report, the proportion of time spent on mobile devices out of total time spent on all media worldwide was 20.3% in 2013, while mobile advertising spending contributed only 4.1% of total advertising spending. These numbers reached 30.4% and 21.5% in 2017, respectively, and are expected to reach 40.8% and 35.4% in 2022, respectively, indicating a rapid increase in mobile advertising spending to fill the gap. As a result, total mobile advertising spending increased from US\$20.2 billion in 2013 to US\$142.5 billion in 2017 at a CAGR of 63.1%, and is projected to further increase to US\$316.5 billion in 2022 at a CAGR of 17.3%. The majority of mobile advertising spending is from mobile app advertisers, while substantively all of the remainder is from traditional brand advertisers.

INDUSTRY OVERVIEW

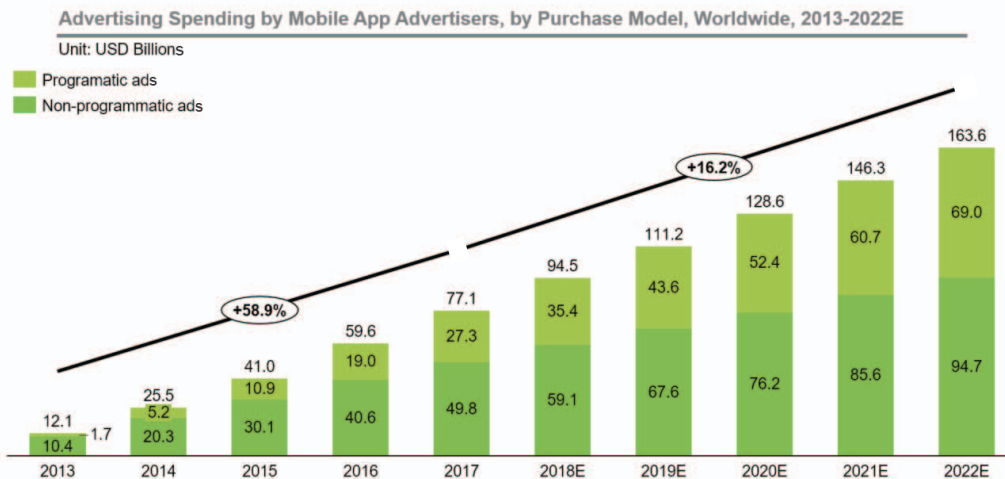
The following chart sets out total global advertising spending by media type for the periods indicated:



Source: iResearch Report

Note: Print includes magazines and newspaper but excludes digital (PC and mobile). Radio excludes off-air radio and digital (PC and mobile). Others include directories, mobile web and out-of-home advertising.

According to the iResearch Report, programmatic advertising is becoming increasingly prevalent as it matches advertisers and media more efficiently and effectively through technology. Spending on programmatic advertising by mobile app advertisers increased significantly from US\$1.7 billion in 2013 to US\$27.3 billion in 2017 at a CAGR of 100.4%, and is expected to further increase to US\$69.0 billion in 2022 at a CAGR of 20.4%. The following chart sets out trends in mobile advertising spending by purchase model for the periods indicated:



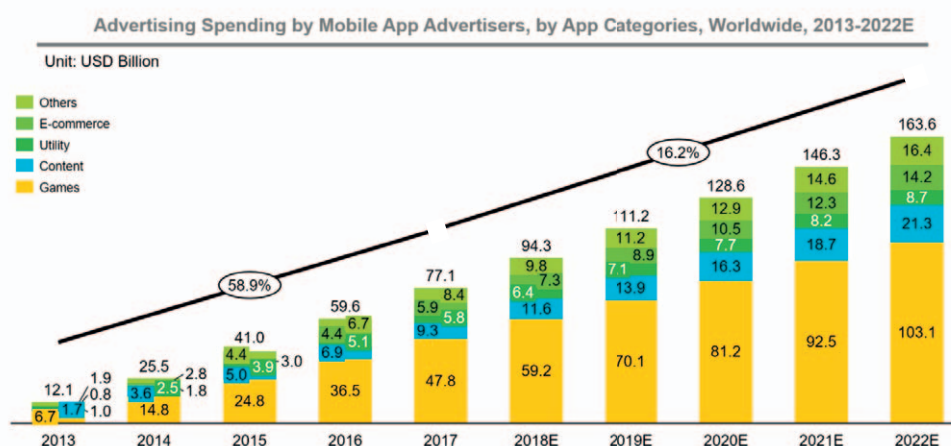
Source: iResearch Report

The mobile advertising market has demonstrated tremendous growth potential with significant advantages in terms of accessibility, portability and target audience size. In light of the growing mobile audience base and continuous innovation in mobile technology, advertising platforms that can help advertisers better plan, launch, manage and optimize advertising campaigns through mobile channels are more likely to capture greater market shares.

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Types and Geography of Mobile Advertisers

Currently, app developers are dominating mobile advertising spending due to their strong demand for user acquisition. According to the iResearch Report, global advertising spending by mobile app advertisers increased from US\$12.1 billion in 2013 to US\$77.1 billion in 2017 at a CAGR of 58.9%, and is projected to further increase to US\$163.6 billion in 2022 at a CAGR of 16.2%. The following chart provides a breakdown of mobile advertising spending by app category for the periods indicated:



Source: iResearch Report

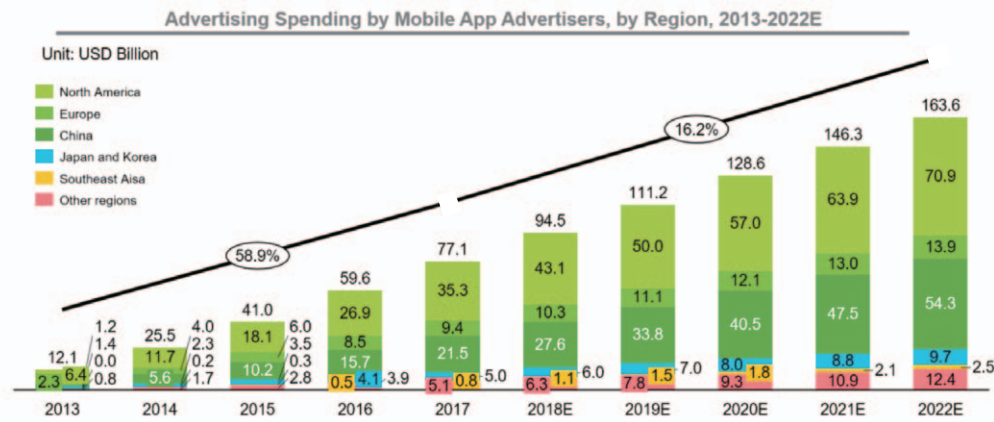
Note: Content includes news aggregation, music and video. Utility includes tools such as maps and navigation and productivity apps such as calendar, wallpaper and weather. E-commerce includes online shopping platforms like Amazon, eBay, Tmall and JD.com. Others include mobile payment, education, finance, medical apps and other types of apps.

As indicated in the chart above, games account for the highest share of mobile advertising spending, primarily due to their high demand for rapid user acquisition. In addition, advertising spending by e-commerce app developers is projected to grow due to the globalization of leading e-commerce platforms and the development of mobile payment services in less established countries. Advertising spending by app developers of other types of apps is also projected to grow.

According to the iResearch Report, advertising spending by North American app developers remains the top among developers around the world, followed by PRC app developers. In addition, advertising spending by PRC developers has increased significantly from US\$1.2 billion in 2013 to US\$21.5 billion in 2017 at a CAGR of 107.5% and is estimated to reach US\$54.3 billion in 2022 at a CAGR of 20.4% from 2017. Advertising spending by PRC app developers allocated to regions outside of China has increased from US\$0.1 billion in 2013 to US\$3.0 billion in 2017 at a CAGR of 114.6% and is estimated to reach US\$9.6 billion in 2022 at a CAGR of 25.9%. This increase is driven by PRC Internet companies' tendency to expand into the overseas markets as the China market has become saturated and user acquisition costs have been increasingly higher. Additionally, mobile advertising spending in Southeast Asia is expected to grow significantly from less than US\$0.1 billion in 2013 to US\$2.5 billion in 2022. This increase is driven both by the rapid development of the Southeastern Asia economy and infrastructure of mobile internet, as well as local apps with better understanding of users becoming more competitive and having greater needs for both

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advertising and monetization. The following chart provides a breakdown of mobile advertising spending by region for the periods indicated:



Source: iResearch Report

Note: Geographic distribution is based on the location of advertisers.

Drivers of Global Mobile Advertising Market

According to the iResearch Report, drivers for the global mobile advertising market include:

- *Popularization of Smartphones and Infrastructure Upgrade.* The increasing sales of smartphones, penetration of 4G/5G and Wi-Fi, and daily time spent on mobile devices will continue to drive the development of mobile advertising.
- *Assessable Mobile Advertising Performance.* Compared with traditional advertising, mobile advertising allows advertisers to monitor the performance of advertising campaigns more easily and increases marketing efficiency. Mobile advertising provides various pricing models, which allows marketing to be more flexible and efficient. Mobile advertising is also more capable in terms of the variety of collectable user behavior information, based on which advertisers can achieve better user profiling and precision marketing. The analysis of user behaviors and data mining maximizes the effectiveness of mobile ads customization.
- *Data-driven Service Optimizing Mobile Advertising Performance.* Data on mobile devices or users helps advertisers identify and target potential users, monitor and measure the results of marketing campaigns and create advertising content catering to potential users.
- *Innovation in the Formats of Mobile Advertising and Richer Forms of Interaction.* The innovation in the formats of mobile advertising provide a better quality advertising experience for users, striking a balance between the marketing needs of advertisers and the experience of users. Compared with traditional ads, innovative mobile ads are typically more enjoyable and immersive by actively involving users in the advertising experience. Compared with passively viewing ads, the experience of interacting with ads may also improve user experience, increase the time of user engagement and creating positive brand associations.
- *Increasing User Acquisition Cost.* The global average cost per install, or CPI, which measures the average cost per app install directly attributing to advertising, increased from US\$1.2 in 2013 to US\$2.5 in 2017. Due to increasing user acquisition cost, app developers will allocate budgets to more effective mobile advertising channels.

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Future Trends of Global Mobile Advertising Market

According to the iResearch Report, future trends for the global mobile advertising market include:

- *Globalization of Mobile Advertising.* Due to the globalization trend of mobile apps, mobile advertising service providers will follow the trend of app global expansion to satisfy their demand of both user acquisition and monetization around the globe.
- *Popularization of Programmatic Advertising.* Mobile advertising service providers have achieved rapid growth along with the increasing proportion of programmatic advertising, and will continue to increase their investment in products, technologies and data to develop their programmatic advertising operation.
- *Innovation in Formats of Mobile Advertising.* The ad formats of mobile advertising have evolved from banners to video and native ads that will continue to become less disruptive and more interactive.
- *Competition of High Quality Mobile Traffic.* Due to the popularity of mobile advertising, high quality traffic sources, which are apps that have established user bases and can help expose advertisers to mass public and increase brand recognition, have become more important, and the competition for high quality traffic sources will intensify.
- *Offline Advertisers Shifting to Mobile Advertising.* As more everyday life activities are conducted in apps, traditional brand advertisers such as those fast-moving consumer goods, the automobile industry and even government agencies have started to assign their advertising spending to mobile advertising and other new media.

Barriers to Entry

According to the iResearch Report, barriers to entry for advertising platforms entering the global mobile advertising market include:

- *Scale Effect.* Large advertising platforms that serve both advertisers and media publishers have network effects. These platforms can also accumulate huge amounts of user and device data to optimize their ad trading algorithms and AI models.
- *Technology Barriers.* Proprietary technologies, including AI and big data analysis, are essential for programmatic advertising platforms. In addition, reliable technology infrastructure serves as the foundation for establishing a large-scale advertising platform that can achieve precise targeting and ad delivery in various native and interactive formats in real time.
- *Data Barriers.* Big data that advertising platforms have accumulated can help them achieve better profiling and precise targeting and can also serve as the foundation for new types of data-based services.
- *Talent Barriers.* The improvement of big data and AI technologies requires talent with extensive technology background and experience. Experienced talent with in-depth understandings of various local markets are also needed for global expansion.
- *Capital Barriers.* Advertising platforms need to establish localized teams or branches in key market areas, build proprietary technology platforms and recruit talent, all of which require large capital investments.

GLOBAL MOBILE ANALYTICS SERVICES MARKET

Mobile analytics services provide tools for app developers to collect, monitor, track and analyze app operating data and user interaction data through SDK integration to better improve their app performance. Mobile analytics services are gaining increasing attraction from app developers, especially mobile game developers. Driven by the rise of China's mobile games market and the development of mobile games in other fast-growing markets in Asia like Japan, Korea and Southeast Asia, global mobile game revenues increased from US\$18.6 billion in 2013 to US\$46.2 billion in 2017 at a CAGR of 25.5%, and is expected to further increase to US\$67.2 billion in 2022 at a CAGR of 7.8%. In addition, the number of mobile game apps in

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Google Play and iOS App Store increased from approximately 162,300 and 177,500 in 2013 to approximately 805,400 and 554,400 in 2017, respectively. According to the iResearch Report, a large number of mobile game developers are small, indie developers without the resources to develop their own analytic tools. Using third-party game analytics services is important for them to better understand player data, improve game design and operation and achieve commercial success.

According to the iResearch Report, there were over 30 iOS-focused and over 50 Android-focused app analytics service platforms as of December 31, 2017, but only several that provided game-focused services. In contrast to comprehensive but general analytics services such as Google Analytics, game developers typically require customized features such as tracking game design elements, monitoring player progression and analyzing in-game economies. Consequently, game data analytic platforms are particularly needed by medium and small-sized game developers.

COMPETITIVE LANDSCAPE

According to the iResearch Report, ad traffic supply is one of the key areas of competition for third-party advertising platform. Third-party advertising platforms may acquire traffic through (i) direct connection with apps through SDK integration; (ii) indirect relationships with apps through other ad networks; and (iii) partnerships with top media by serving as an intermediary agency through the media buy approach. Direct connection with apps through SDK integration is the key method for advertising platforms to secure a reliable source of ad traffic. The high switching costs of SDKs and app size constraints help advertising platforms establish strong relationships with app developers and build up competitive advantages. In contrast to SDK integration, indirect relationships with apps through other ad networks are highly dependent on other channels, and acting as intermediary agencies for top media, such as Facebook and Google, typically cannot help platforms differentiate from their competitors.

Mobile advertising has become a key revenue source for app developers. Most publishers, especially small and medium-sized app developers, do not have dedicated resources to handle direct sales or ad operations and tend to work with third-party advertising platforms to offer ad inventory. SDK integration has become the most effective way to connect apps with advertising demand. SDKs are sets of programming codes developed by third-party advertising platforms for app developers (as publishers) to integrate into their own app codes to achieve programmatic advertising functions such as automatic ad delivery and feedback on ad interaction events. In contrast, API is a common interface implemented separately in the publishers' app codes by the publishers and in the advertising system by the third-party advertising platforms, allowing exchange of data to achieve automatic ad delivery and feedback on ad interaction events. Therefore, compared to API connection, SDK integration provides third-party advertising platforms with more control over the programmatic advertising process. For example, third-party advertising platforms have full control over the ad presentation sequence and can ensure that the ads transmitted to the publishers' app have been actually presented to the mobile user. Third-party advertising platforms can also allow their SDKs to support delivery of more complex ad creatives such as videos and interactive ads and in customizable and native formats. In addition, third-party advertising platforms can also allow their SDKs to provide more types of feedback data from the publishers' app as compared to API connection. In addition, SDKs can better integrate resources from demand and supply sides to meet both user acquisition and monetization demands in the life cycle of an app. As a result, third-party advertising platforms serving both supply and demand sides have competitive advantages over those serving only one side.

According to the iResearch Report, app developers carefully select monetization SDKs to work with and do not switch SDKs frequently, creating entry barriers for new entrants due to the following reasons: (i) SDK stability is critical as SDK code is integrated with app code and unstable SDK code will lead to app crashes and bad user experience; (ii) integrating more SDKs may increase ad fill rates, but also increase app size and affect app stability; and (iii) switching SDKs requires recoding and update releases.

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According to the iResearch Report, total reach of SDK measured by DAUs is an important factor in evaluating the quality and diversity of the traffic and the market position of advertising platforms. The following table sets out the top 10 third-party mobile advertising platforms in terms of SDK total reach measured by average DAUs in the first half of 2018. According to the iResearch report, direct cooperation with apps through SDK integration is an important approach for third-party advertising platforms to secure their own source of traffic. According to the iResearch Report, given the importance of SDK, the total reach of the SDK (measured by DAUs of the apps with SDK integration, which are positively correlated with the number of ad impressions) is an important factor in evaluating the user base, scale and market position of advertising platforms.

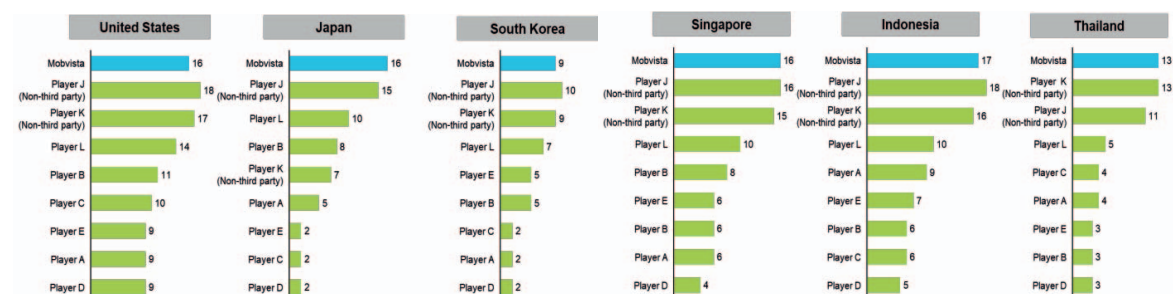
Rank ²	SDK Name	Company Headquarter
1	Player A	United States
2	Player B	United States
3	Player C	United States
4	Player D	United States
5	Player E	United States
6	Player F	Israel
7	Player G	India
8	Player H	United States
9	Player I	United States
10	Mobvista	China

Source: iResearch Report

Notes:

1. DAUs represent the number of unique mobile devices on which the codes of the app(s) integrating the SDK called the function in the SDK and resulted in an exchange of data between the app and the SDK platform on that day. Multiple calls from the same device are only counted as one DAU. Mobvista data is based on DAUs of Mintegral SDK.
2. Rank by the combined average total SDK reach of their iOS and Google Play Stores in the first half of 2018.

The following chart sets out rankings for mobile advertising platforms in terms of the number of top 20 apps in each country in 2017 using their user acquisition services during the five months ended June 30, 2018. According to the iResearch Report, app downloads and advertising budgets are concentrated on the top apps. For example, in both the US and Japan, the top 20 apps in terms of downloads contributed to more than 15% of the total downloads among the top 1,000 apps in 2017. Due to the limitation of obtaining the actual ad budget allocations of these top advertisers, the number of top 20 apps using the advertising platform's user acquisition services is considered as a representative proxy to measure the platform's strength.



Source: iResearch Report

Note: Mobvista data are provided by the Group. Other platform data are compiled and estimated by iResearch, which uses sample data for modeling. Such sample data may differ from the internal data monitored by these platforms. The data shows the number of top 20 apps in the region by number of downloads in 2017 that use the mobile advertising platforms for user acquisition during the five months ended June 30, 2018. Platforms are third-party advertising platforms unless otherwise indicated.

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The following chart sets out rankings for major monetization SDKs in terms of the number of the top 50 PRC apps by number of overseas downloads in 2017 integrating such SDKs during the five months ended June 30, 2018. The number of top apps integrating the advertising platform's SDK measures the platform's strength in traffic acquisition. The number of top apps integrating the advertising platform's SDK measures the platform's strength in acquiring ad inventories. According to the iResearch Report, as most of the ad inventories of the Company come from overseas markets, where Chinese apps for overseas markets are both important customers for user acquisition services and important suppliers for ad inventories, the ability to acquire ad inventories of Chinese apps for overseas markets is a representative indicator to evaluate the strength of industry participants. According to the iResearch Report, the top 50 China apps for overseas markets had combined overseas downloads of approximately 1.5 billion in 2017, and each of such apps had at least 14.0 million downloads in overseas markets in 2017. Due to the concentration of traffic and constraint in data source, iResearch Report limited the scope of analysis to the top 50 apps.

Major Monetization SDKs and the Number of Top 50 Chinese Apps for Overseas Markets that Integrate Such SDKs

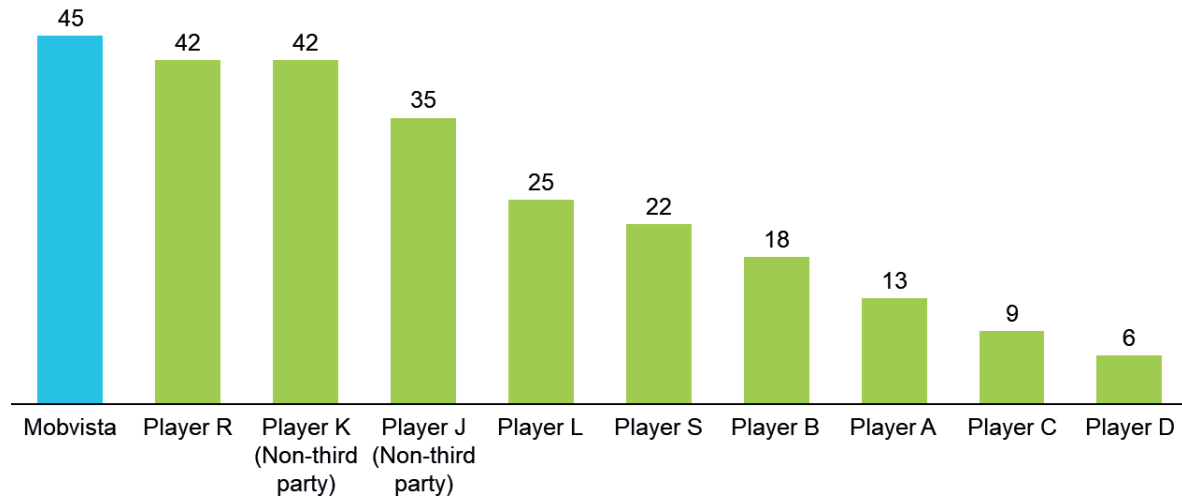
SDK Name	No. of App	% of Total Top 50 Apps
Player M (Non- third party)	49	98.0%
Player T (Non- third party)	44	88.0%
Player U (Non- third party)	43	86.0%
Player K (Non- third party)	40	80.0%
Mobvista	33	66.0%
Player L	29	58.0%
Player J (Non- third party)	27	54.0%
Player B	18	36.0%
Player G	16	32.0%
Player N	13	26.0%
Player A	13	26.0%
Player E	12	24.0%
Player O	10	20.0%
Player C	10	20.0%
Player D	9	18.0%
Player H	7	14.0%
Player P	6	12.0%
Player F	4	8.0%

Source: iResearch Report

Note: The SDKs analyzed above are monetization SDKs that were integrated in at least three of the top 50 Chinese apps by number of overseas downloads in 2017 in ad monetization during the five months ended June 30, 2018. Platforms are third-party advertising platforms unless otherwise indicated.

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The following chart sets out rankings for mobile advertising platforms in terms of the number of the top 50 PRC apps by number of overseas downloads in 2017 users using their user acquisition services during the five months ended June 30, 2018. According to the iResearch Report, as app downloads and advertising budgets are concentrated on the top apps, the number of top 50 apps using the advertising platform's user acquisition services is a reasonable indicator to measure the platform's strength.



Source: iResearch Report

Note: Mobvista data are provided by our Group. Other platform data are compiled and estimated by iResearch, which uses sample data for modeling. All data are during the five months ended June 30, 2018. Platforms are third-party advertising platform unless otherwise indicated.

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LAWS AND REGULATIONS IN THE PRC

The following sets forth a summary of the most significant rules and regulations that affect our business activities in China.

Regulations on Company Establishment and Foreign Investment

The establishment, operation and management of companies in China is governed by the PRC Company Law (《中華人民共和國公司法》), as promulgated by the Standing Committee of National People's Congress on December 29, 1993 and effective on July 1, 1994, as and subsequently amended on December 25, 1999, August 28, 2004, in October 27, 2005, December 28, 2013 and October 26, 2018. According to the PRC Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The PRC Company Law applies to both PRC domestic companies and foreign-invested companies. Where laws on foreign investment have other stipulations, such stipulations shall prevail. The establishment procedures, approval procedures, registered capital requirements, foreign exchange matters, accounting practices, taxation and labor matters of a wholly foreign-owned enterprise are regulated by the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》), as promulgated on April 12, 1986 and amended on October 31, 2000, September 3, 2016, and the Implementation Regulation of the Wholly Foreign-owned Enterprise Law (《中華人民共和國外資企業法實施細則》), as promulgated on 28 October 1990, amended on April 12, 2001 and February 19, 2014. On September 3, 2016, the National People's Congress Standing Committee published the Decision on Revising Four Laws including the Wholly Foreign-owned Enterprise Law of the People's Republic of China (《全國人民代表大會常務委員會關於修改〈中華人民共和國外資企業法〉等四部法律的決定》), which changes the previous "filing or approval" procedure for foreign investments in China. Except for the industries listed in the Special Administrative Measure (Negative List) for Foreign Investment Access (2018 version) (《外商投資准入特別管理措施(負面清單)(2018年版)》) which came into effect on July 28, 2018 and amended the negative lists under the Guidance Catalogue of Industries for Foreign Investment (Revised in 2017), or the Catalog, effective on July 28, 2017, foreign investments in business sectors are therefore no longer subject to special administrative measures that require application for approval, instead, only a filing is required. Pursuant to the Provisional Administrative Measures on Establishment and Modifications (Filing) for Foreign-invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) promulgated by MOFCOM on October 8, 2016, and amended on July 30, 2017, and June 29, 2018 establishment and changes of foreign invested enterprises not involving the implementation of special access administrative measures prescribed by the state shall be filed with the relevant commerce authorities. Additionally, the registration for a PRC Company's establishment, modification, and termination shall comply with the provision of Regulation of the People's Republic of China on the Administration of Company Registration (《中華人民共和國公司登記管理條例》) which was promulgated on June 24, 1994 and amended on December 18, 2005, February 19, 2014 and February 6, 2016.

The Provisions on Guiding Foreign Investment (《指導外商投資方向規定》) promulgated by the State Council on February 11, 2002 and the Catalog classify foreign investment projects into four categories: encouraged projects, permitted projects, restricted projects and prohibited projects. The purpose of these regulations is to direct foreign investment into certain priority industry sectors and restrict or prohibit them from entering into other sectors. If the investment falls within the industry sector which belongs to the encouraged category, such foreign investment can be conducted through a wholly foreign-owned enterprise, or a joint venture enterprise with any shareholding percentage requirement. If the investment falls within a permitted category, such investment may be conducted through a wholly foreign-owned enterprise, provided certain requirements are met. However, if the investment falls within a restricted category, in some cases, the establishment of a joint venture enterprise will be required with a minimum shareholding requirement for the Chinese party, varying according to the industries. If the attempted foreign investment falls within a prohibited category, foreign investment of any kind is not allowed. Any industry not falling into any of the encouraged, restricted or prohibited categories is classified as a permitted industry for foreign investment.

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Regulation Relating to Internet Information Services

On September 25, 2000, the State Council promulgated the Administrative Measures on Internet Information Services (《互聯網資訊服務管理辦法》), or the Internet Measures, which were later amended on January 8, 2011. Under the Internet Measures, Internet information services are divided into profitable services and non-profitable services, and a filing requirement shall be satisfied before conducting non-profitable internet information service. The provision of information services through mobile apps is subject to the PRC laws and regulations governing Internet information services.

The content of the internet information is highly regulated in China and pursuant to the Internet Measures, the PRC government may shut down the websites of internet information providers (for non-profitable Internet information services) if they produce, reproduce, disseminate or broadcast internet content that contains content that is prohibited by law or administrative regulations. Internet information services providers are also required to monitor their websites. They may not post or disseminate any content that falls within the prohibited categories, and must remove any such content from their websites, save the relevant records and make a report to the relevant governmental authorities. Additionally, as the internet information service providers, under the PRC Tort Liability Law (《中華人民共和國侵權責任法》), which became effective on July 1, 2010, they shall bear tortious liabilities in the event they infringe upon other person's rights and interests due to providing wrong or inaccurate content through the internet. Where an internet service provider conducts tortious acts through internet services, the infringed person has the right to request the internet service provider take necessary actions such as deleting contents, screening and de-linking. Failing to take necessary actions after being informed, the internet service provider will be subject to its liabilities with regard to the additional damages incurred. Where an internet service provider knows that an internet user is infringing upon other persons' rights and interests through its internet service but fails to take necessary actions, it is jointly and severally liable with the internet user.

Regulations on Information Security and Privacy Protection

Internet content in China is regulated and restricted from a state security standpoint. On December 28, 2000, the Standing Committee of the PRC National People's Congress enacted the Decisions on Maintaining Internet Security (《全國人民代表大會關於維護互聯網安全的決定》), later amended on August 27, 2009, which subject violators to criminal punishment in China for any effort to: (i) use the internet to market fake and substandard products or carry out false publicity for any commodity or service; (ii) use the internet for the purpose of damaging the commercial goodwill and product reputation of any other person; (iii) use the internet for the purpose of infringing on the intellectual property of any person; (iv) use the internet for the purpose of fabricating and spreading false information that affects the trading of securities and futures or otherwise jeopardizes the financial order; or (v) create any pornographic website or webpage on the internet, provide links to pornographic websites, or disseminate pornographic books and magazines, movies, audiovisual products, or images. Pursuant to Administrative Measures for the Security Protection of Computer Information Networks Linked to the Internet (《計算機信息網路國際聯網安全保護管理辦法》) which was approved by the State Council on December 11, 1997 and promulgated by the Ministry of Public Security on December 16, 1997 and revised by the State Council on January 8, 2011, the Internet is prohibited to be used in ways which, among other things, would result in a leakage of state secrets or a spread of socially destabilizing content. On December 13, 2005, the Ministry of Public Security promulgated Provisions on the Technical Measures for the Protection of the Security of the Internet (《互聯網安全保護技術措施規定》) which requires internet service providers to take proper measures including anti-virus, data back-up and other related measures, to keep records of certain information about its users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days, and to detect illegal information, stop transmission of such information, and keep relevant records. If an internet information service provider violates these measures, the Ministry of Public Security and the local security bureaus may revoke its operating license and shut down its websites.

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PRC governmental authorities have enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. On December 28, 2012, the Standing Committee of the PRC National People's Congress promulgated the Decision on Strengthening Network Information Protection (《關於加強網路資訊保護的決定》) to enhance the legal protection of information security and privacy on the internet. On July 16, 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網使用者個人資訊保護規定》) to regulate the collection and use of users' personal information in the provision of telecommunication services and internet information services in China. Telecommunication business operators and internet service providers are required to establish its own rules for collecting and use of users' information and cannot collect or use users' information without users' consent. Telecommunication business operators and internet service providers are prohibited from disclosing, tampering with, damaging, selling or illegally providing others with, collected personal information.

On November 7, 2016, Standing Committee of the PRC National People's Congress published the Cyber Security Law of the PRC (《中華人民共和國網路安全法》), which took effect on June 1, 2017 and requires network operators to perform certain functions related to cyber security protection and the strengthening of network information management. For instance, under the Cyber Security Law, network operators of key information infrastructure shall store within the territory of the PRC all the personal information and important data collected and produced within the territory of PRC and their purchase of network products and services that may affect national securities shall be subject to national cybersecurity review. On May 2, 2017, the Cyberspace Administration of China issued a trial version of the Measures for the Security Review of Network Products and Services (for Trial Implementation) (《網路產品和服務安全審查辦法（試行）》), which took effect on June 1, 2017, to provide for more detailed rules regarding cybersecurity review requirements.

Regulations on Advertising Business

The Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), promulgated by the Standing Committee of the National People's Congress on October 27, 1994 and amended on April 24, 2015 and October 26, 2018. This law regulates contents of advertisements, codes of conduct for advertising, and the supervision and administration of advertising industry. It also stipulates that advertisers, advertising operators, and advertisement publishers shall abide by the Advertising Law and other laws and regulations, be honest and trustworthy, and compete in a fair manner in advertising business. According to the Advertising Law, advertising operators and advertisement publishers shall examine the relevant certification documents and verify the contents of advertisements in accordance with laws and regulations. According the Advertising Law, if advertising operators know or should have known the content of the advertisements is false or deceptive but still provide advertising design, production and agency services in connection with the advertisements, they might be subject to penalties, including confiscation of revenue and fines, and the competent PRC authority may suspend or revoke their business licenses.

On July 4, 2016, the State Administration for Industry and Commerce promulgated the Interim Measures for the Administration of Internet Advertising (《互聯網廣告管理暫行辦法》), or Interim Measures on Internet Advertising to regulate advertising activities conducted via the internet. According to the Interim Measures on Internet Advertising, advertisements published or distributed via the internet shall not interfere with users' normal use of the internet. For example, advertisements published on web page pop-up windows or in others forms shall be clearly marked with a "close" sign to ensure a "Click to Close." No entity or individual may induce users to click on the contents of an advertisement through deception. An internet advertisement publisher or advertising operator, shall establish and maintain an acceptable registration, examination and file management system for its advertisers; examine, verify and record the identity information of each advertiser. The Interim Measures on Internet Advertising also require internet advertisement publishers and advertising operators to verify related supporting documents, check the contents of the advertisement and prohibits them from designing, producing, providing services or publishing any advertisement if the content and the supporting documents do not match each other or the documentary evidence thereof are insufficient.

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Regulations on Intellectual Property

Copyright and Software Products

The National People's Congress adopted the Copyright Law (《中華人民共和國著作權法》) on September 7, 1990 and amended it on October 27, 2001 and February 26, 2010, respectively. The amended Copyright Law extends copyright protection to internet activities, products disseminated over the internet and software products. In addition, there is a voluntary registration system administered by the China Copyright Protection Center.

In order to further implement the Computer Software Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and amended on December 20, 2001, January 8, 2011 and January 30, 2013, the State Copyright Bureau issued the Computer Software Copyright Registration Procedures (《計算機軟件著作權登記辦法》) on February 20, 2002, which apply to software copyright registration, license contract registration and transfer contract registration.

According to the Copyright Law, an infringer will be subject to various civil liabilities, which include cessation of the infringement and apologizing to and compensating the actual loss suffered by the copyright owner. If the actual loss of the copyright owner is difficult to calculate, the income received by the infringer as a result of the infringement will be deemed as the actual loss or if such illegal income is also difficult to calculate, the court can decide the amount of the actual loss up to RMB500,000 (equivalent to approximately HKD564,780).

Trademarks

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) adopted in August 23, 1982 and subsequently amended in February 22, 1993, October 27, 2001 and August 30, 2013 as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council in August 3, 2002 and amended on April 29, 2014. The Trademark Office under the SAIC handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. Trademark license agreements must be filed with the Trademark Office for record. The PRC Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use. After receiving an application, the PRC Trademark Office will make a public announcement if the relevant trademark passes the preliminary examination. During the three months after this public announcement, any person entitled to prior rights and any interested party may file an objection against the trademark. The PRC Trademark Office's decisions on rejection, objection or cancellation of an application may be appealed to the PRC Trademark Review and Adjudication Board, whose decision may be further appealed through judicial proceedings. If no objection is filed within three months after the public announcement or if the objection has been overruled, the PRC Trademark Office will approve the registration and issue a registration certificate, at which point the trademark is deemed to be registered and will be effective for a renewable ten-year period, unless otherwise revoked. Trademark license agreements should be filed with the Trademark Office or its regional offices.

Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Domain Names for the Chinese Internet (《中國互聯網域名管理辦法》), issued by MIIT on November 5, 2004 and effective as of December 20, 2004 which was replaced by the Measures on

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Administration of Internet Domain Names (《互聯網域名管理辦法》) issued by MIIT as of November 1, 2017, and the Implementing Rules on Registration of Domain Names (《中國互聯網路信息中心域名註冊實施細則》) issued by China Internet Network Information Center on May 28, 2012, which became effective on May 29, 2012. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Patents

On March 12, 1984, the Standing Committee of the National People's Congress promulgated the Patent Law (《中華人民共和國專利法》), which was amended in September 4, 1992, August 25, 2000 and December 27, 2008. On June 15, 2001, the State Council promulgated the Implementation Regulation for the Patent Law (《中華人民共和國專利法實施細則》), which was amended on January 9, 2010. According to these laws and regulations, the State Intellectual Property Office is responsible for administering patents in the PRC. The Chinese patent system adopts a "first to file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who filed the application first. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. A patent is valid for 20 years in the case of an invention and 10 years in the case of utility models and designs. A third-party user must obtain consent or a proper license from the patent owner to use the patent. Otherwise, third-party use constitutes an infringement of patent rights.

Regulations Relating to Foreign Exchange

Regulations on Foreign Currency Exchange

Pursuant to the Foreign Exchange Administration Regulations (《外匯管理條例》), as promulgated on January 29, 1996 and amended on January 14, 1997 and August 5, 2008, Renminbi is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of China, unless prior approval is obtained from State Administration of Foreign Exchange, or the SAFE, and prior registration with SAFE is made.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資金結匯管理方式的通知》), or the SAFE Circular 19, effective on June 1, 2015, in replacement of the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 142. SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本專案結匯管理政策的通知》), or the SAFE Circular 16, effective on June 9, 2016, which, among other things, amend certain provisions of Circular 19. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.

From 2012, SAFE has promulgated several circulars to substantially amend and simplify the current foreign exchange procedure. Pursuant to these circulars, the opening of various special purpose foreign exchange accounts, the reinvestment of RMB proceeds by foreign investors in the PRC and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE. In addition, domestic companies are allowed to provide cross-border loans not only to their offshore subsidiaries, but also to their offshore parents and affiliates. SAFE also promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents (《國家外匯管理局關於印發〈外國投資者境內直接投資外匯管理規定〉及配套文件的通知》) in May 10, 2013,

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which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches. In February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), or the SAFE Circular 13, which took effect on June 1, 2015. SAFE Circular 13 delegates the power to enforce the foreign exchange registration in connection with inbound and outbound direct investments under relevant SAFE rules from local branches of SAFE to banks, thereby further simplifying the foreign exchange registration procedures for inbound and outbound direct investments.

On January 26, 2017, SAFE issued the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》), or the SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to SAFE Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Regulations on Dividend Distribution

The principal regulations governing distribution of dividends of foreign-invested enterprises include the PRC Company Law, the Foreign Invested Enterprise Law, and the Implementation Rules of the Foreign Invested Enterprise Law. Under these laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with China accounting standards and regulations. In addition, wholly foreign-owned enterprises in China are required to allocate at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds until these reserves have reached 50% of the registered capital of the enterprises. Wholly foreign-owned companies may, at their discretion, allocate a portion of their after-tax profits based on China accounting standards to staff welfare and bonus funds. These reserves are not distributable as cash dividends.

Regulations on Stock Incentive Plans

In February 2012, SAFE promulgated the Notice on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies, or the “**Stock Option Rules**,” replacing the previous rules issued by SAFE in March 2007. Under the Stock Option Rules and other relevant rules and regulations, domestic individuals, which means the PRC residents and non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, who participate in a stock incentive plan in an overseas publicly-listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of the overseas publicly-listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes.

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The PRC agents must, on behalf of the PRC residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the PRC residents' exercise of the employee share options. The foreign exchange proceeds received by the PRC residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in the PRC opened by the PRC agents before distribution to such PRC residents.

Regulations Relating to Tax

Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, which became effective on January 1, 2008 and was subsequently amended on February 24, 2017, and its implementing rules (《中華人民共和國企業所得稅法實施條例》) which became effective on January 1, 2008, enterprises are classified as resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25% while non-PRC resident enterprises without any branches in the PRC should pay an enterprise income tax in connection with their income from the PRC at the tax rate of 10%. An enterprise established outside of the PRC with its “de facto management bodies” located within the PRC is considered a “resident enterprise,” meaning that it can be treated in a manner similar to a PRC domestic enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define a de facto management body as a managing body that in practice exercises “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise. Enterprises qualified as “High and New Technology Enterprises” are entitled to a 15% enterprise income tax rate rather than the 25% uniform statutory tax rate. The preferential tax treatment continues as long as an enterprise can retain its “High and New Technology Enterprise” status.

The EIT Law and the implementation rules provide that an income tax rate of 10% should normally be applicable to dividends payable to investors that are “non-resident enterprises,” and gains derived by such investors, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within the PRC. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and other jurisdictions. Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed on August 21, 2006 and effective in the mainland China from January 1, 2007, or the Double Tax Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon receiving approval from in-charge tax authority. However, based on the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) issued on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment; and based on the Announcement on Relevant Issues Concerning the “Beneficial Owners” in Tax Treaties (《國家稅務總局關於稅收協定中“受益所有人”有關問題的公告》) issued on February 3, 2018 by the SAT and effective from April 1, 2018, which replaces the Notice on the Interpretation and Recognition of Beneficial Owners in Tax Treaties (《國家稅務總局關於如何理解和認定稅收協定中“受益所有人”的通知》) and the Announcement on the Recognition of Beneficial Owners in Tax Treaties (《國家稅務總局關於認定稅收協定中“受益所有人”的公告》) by the SAT, comprehensive analysis based on the stipulated factor therein and actual circumstances shall be adopted when recognizing the “beneficial owner” and agents and designated wire beneficiaries are specifically excluded from being recognized as “beneficial owners.”

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Value-added Tax

Pursuant to Interim Value-Added Tax Regulations of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the Ministry of Finance and the SAT, which became effective on January 1, 2008 and was subsequently amended on November 19, 2017, any entity or individual conducting business in the service industry is required to pay a valued-added tax, or VAT, with respect to revenues derived from the provision of services. A taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the revenue from services provided.

Employment Laws

Pursuant to the PRC Labor Law (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》) and the Implementing Regulations of the Employment Contracts Law (《中華人民共和國勞動合同法實施條例》), which were separately with effect from January 1, 1995 (amended on August 27, 2009), January 1, 2008 (amended on December 28, 2012) and September 18, 2009, labor relationships between employers and full-time employees must be executed in written form. Wages may not be lower than the local minimum wage. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant education to its employees. Employees are also required to work in safe and sanitary conditions.

Under PRC laws, rules and regulations, including the Social Insurance Law (《中華人民共和國社會保險法》), the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費征繳暫行條例》) and the Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》), which were separately with effect from July 1, 2011, January 22, 1999, and April 3, 1999 (amended on March 24, 2002) respectively, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount.

Regulations on Leasing

Pursuant to the Law on Administration of Urban Real Estate (《城市房地產管理法》) which took effect in January 1995, amended on August 30, 2007 and with the latest amendment in August 27, 2009, lessors and lessees are required to enter into a written lease contract, containing such provisions as the term of the lease, the use of the premises, liability for rent and repair, and other rights and obligations of both parties. Both lessor and lessee are also required to file the lease with the real estate administration authorities. Pursuant to implementing rules stipulated by certain provinces or cities, such as Tianjin, if the lessor and lessee fail to go through the filing procedures, both lessor and lessee may be subject to fines.

According to the PRC Contract Law (《中華人民共和國合同法》) which took effect from October 1, 1999, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the lessor transfers the premises, the lease contract between the lessee and the lessor should still remain valid. Pursuant to the PRC Property Law (《中華人民共和國物權法》), which took effect from October 1, 2007, if a mortgagor leases the mortgaged property before the mortgage contract is executed, the previously established leasehold interest should not be affected by the subsequent mortgage, but where a mortgagor leases the mortgaged property after the creation and registration of the mortgage interest, the leasehold interest should be subordinated to the registered mortgage.

Regulations on Unfair Competition

On November 4, 2017, the Standing Committee of the National People's Congress amended the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), or the Anti-Unfair Competition Law, which became effective on January 1, 2018.

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Pursuant to the Anti-Unfair Competition Law, a business operator shall not conduct any false or misleading commercial publicity in respect of the performance, functions, quality, sales, user reviews, and honors received of its commodities, in order to defraud or mislead consumers. A business operator publishing any false advertisements in violation of this provision shall be punished in accordance with the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), which was promulgated on October 27, 1994 and amended on April 24, 2015 and October 26, 2018.

The Anti-Unfair Competition Law also stipulated that a business operator engaging in production or distribution activities online shall abide by the provisions of the Anti-Unfair Competition Law. No business operator may, by technical means to affect users' options, among others, commit the acts of interfering with or sabotaging the normal operation of online products or services legally provided by another business operator.

In addition, according to the Anti-Unfair Competition Law, a business operator is prohibited from any of the following unfair activities: i) committing act of confusion to mislead a person into believing that a commodity is one of another person or has a particular connection with another person; ii) seeking transaction opportunities or competitive edges by bribing relevant entities or individuals with property or by any other means; iii) infringing trade secrets; iv) premium campaign violating the provision of the Anti-Unfair Competition Law; and v) fabricating or disseminating false or misleading information to damage the goodwill or product reputation of a competitor.

Regulations on Overseas Investment

The Administrative Measures for the Outbound Investment by Enterprises (《企業境外投資管理辦法》, or the "Outbound Investment Measures," adopted upon deliberation at the executive meeting of the director of the NDRC, was promulgated on December 26, 2017, and effected on March 1, 2018, to strengthen the macro guidance to outbound investment, optimize comprehensive services for outbound investment, improve regulation over the entire process of outbound investment, promote and sustain the sound development of outbound investment, and safeguard national interests and national security of China, these Outbound Investment Measures are enacted according to the Administrative Licensing Law of the People's Republic of China (《中華人民共和國行政許可法》) which took effect on July 1, 2004, the Decision of the State Council on Investment System Reform (《國務院關於投資體制改革的決定》) which was promulgated on July 16, 2004, the Decision of the State Council on Setting Administrative Licensing for Administrative Examination and Approval Items Requiring Preservation (《國務院對確需保留的行政審批項目設定行政許可的決定》) which was promulgated on June 29, 2004, effected on July 1, 2004, and amended on January 29, 2009 and August 25, 2016 and other laws and regulations.

"Outbound investment" refers to the investment activities to obtain overseas ownership, right of control, business management right, and other related rights and interests by an enterprise located within the territory of the PRC (hereinafter referred to as the "Investor"), either directly or via an overseas enterprise under its control, by way of investments with assets or equities or providing financing or guarantees. To make an outbound investment, the Investor shall go through formalities such as obtaining the relevant approval filing of the outbound investment project (hereinafter referred to as the "Project"), reporting the relevant information, and the cooperating with NDRC in the supervision and inspection over the outbound investment.

Projects subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby. The approval authority is NDRC. The sensitive projects referred to in these Measures include: (i) projects involving sensitive countries and regions; and (ii) projects involving sensitive industries. The sensitive countries and regions referred to in these Measures include: (i) countries and regions that have not yet established diplomatic relations with China; (ii) countries and regions where wars and civil strife occur; (iii) countries and regions where investment made by enterprises shall be restricted according to the international treaties and protocols concluded or acceded by China; and (iv) other sensitive countries and regions.

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The sensitive industries referred to in these Measures include: (i) research, production, maintenance and repair of weapons and equipment; (ii) development and utilization of cross-border water resources; (iii) news media; and (iv) industries for which outbound investments by enterprises shall be restricted according to PRC laws, regulations and related regulatory policies. The category of sensitive industries shall be released by NDRC.

Projects subject to filing only are non-sensitive projects directly carried out by investors, namely the non-sensitive projects involving the direct investment of assets and equities or the provision of financing or guarantees. For a project requiring filing, the authority in charge of filing is (i) NDRC, if the investor is a centrally administered enterprise (a centrally administered financial enterprise or an enterprise directly subordinate to the administration by the State Council or its subordinate organ, the same below); (ii) NDRC, if the investor is a local enterprise and the amount of Chinese investment is USD0.3 billion or above; and (iii) the provincial development and reform authority at the place where the investor is registered, if the investor is a local enterprise and the amount of Chinese investment is less than USD0.3 billion.

M&A Rules and Overseas Listings

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission, or the CSRC, adopted the Regulations on Mergers of Domestic Enterprises by Foreign Investors (《關於外國投資者並購境內企業的規定》), or the M&A Rules, which became effective on September 8, 2006 and was amended on June 22, 2009. Foreign investors shall comply with the M&A Rules when they purchase equity interests of a domestic company or subscribe the increased capital of a domestic company, and thus changing the nature of the domestic company into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in the PRC, purchase the assets of a domestic company and operate the assets; or when the foreign investors purchase the asset of a domestic company, establish a foreign-invested enterprise by injecting such assets and operate the assets. The M&A Rules purport, among other things, to require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange.

On June 20, 1997, the State Council promulgated the Circular of the State Council on Further Strengthening Management of Issuance and Listing of Shares Overseas (《國務院關於進一步加強在境外發行股票和上市管理的通知》), or the 97 Red Chip Guidance, which became effective on the same day. Pursuant to the 97 Red Chip Guidance, as for a Chinese invested non-listed companies and a Chinese controlled listed companies registered overseas, who have applied for issuance and listing of shares overseas with their own assets overseas as well as their domestic assets that are formed through domestic investment with overseas assets and that have actually been owned by them for over three years, shall abide by the local laws. Moreover, their domestic shareholders shall apply, in advance, for the approval by their respective provincial people's governments or the relevant competent authorities of the State Council. Enterprises whose domestic assets have been owned by them for less than three years shall not apply for issuance and listing of shares overseas, except that they shall report to the CSRC for examination and verification, and then submit the report to the State Council's Securities Commission for examination and approval. After the completion of listing, their domestic shareholders shall report to the CSRC on the relevant information, which shall be kept for file.

LAWS AND REGULATIONS IN THE UNITED STATES

The Federal Trade Commission Act (FTC Act) 15 U.S.C. Sections 41-58

While the United States lacks a comprehensive data security law, the Federal Trade Commission (“FTC”) fills in gaps between industry-specific laws and rules with its general authority under Section 5 of the FTC Act. Section 5 of the FTC Act gives the FTC broad authority to investigate “unfair and deceptive

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acts and practices in or affecting commerce.” The FTC increasingly uses this broad authority aggressively in the privacy and data security contexts, initiating investigations pertaining to a wide variety of “unfair” or “deceptive” practices. In particular, the FTC has brought a number of enforcement actions and cases alleging that website operators engaged in deceptive acts in failing to adhere to their stated policies and practices.

In addition to its general authority under Section 5 of the FTC Act, the FTC has authority to investigate and prosecute privacy violations and data security breaches under 33 different sets of rules, laws, and guides. Among the more frequently-invoked sources of FTC investigations are the Children’s Online Privacy Protection Act, the Fair Credit Reporting Act, including the Disposal Rule, the Graham-Leach-Bliley Act Safeguards Rule, and the Telemarketing and Consumer Fraud and Abuse Act.

The Children’s Online Privacy Protection Act (“COPPA”) 15 U.S.C. Sections 6501-6506

The Children’s Online Privacy Protection Act (“COPPA”) of 1998 imposes certain requirements on operators of websites or online services directed to children under 13 years of age, and on operators of other websites or online services that have actual knowledge that they are collecting personal information online from a child under 13 years of age. The law details what a website operator must include in a privacy policy, when and how to seek verifiable consent from a parent or guardian, and what responsibilities an operator has to protect children’s privacy and safety online including restrictions on the marketing to those under 13. The FTC is the enforcer of COPPA.

California Online Privacy and Protection Act and Other Various Data Privacy Regulations

We are subject to individual state laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive certain data that is critical to our operations. The United States has disparate state laws that are not uniformly adopted by other states. For example, the California Online Privacy and Protection Act applies to the operator of a commercial website that collects personally identifiable information through the internet about individual consumers residing in California.

Communication Decency Act, 47 U.S.C. § 230

Section 230 currently says that “No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider” (47 U.S.C. § 230). In other words, online intermediaries that host or republish speech are protected against a range of laws that might otherwise be used to hold them legally responsible for what others say and do. The protected intermediaries include not only regular Internet Service Providers (ISPs), but also a range of “interactive computer service providers,” including basically any online service that publishes third-party content. Though there are important exceptions for certain criminal and intellectual property-based claims, CDA 230 creates a broad protection that has allowed innovation and free speech online to flourish.

However, there have been a number of recent legislative proposals in the United States, at both the federal and state level, that could impose new obligations in areas such as privacy and liability for copyright infringement by third parties such as various Congressional efforts to restrict the scope of the protections available to online platforms under Section 230 of the Communications Decency Act, and current protections from liability for third-party content in the United States could decrease or change. The U.S. government, including the FTC and the Department of Commerce, has announced that it is reviewing the need for greater regulation for the collection of information concerning user behavior on the Internet, including regulation aimed at restricting certain online tracking and targeted advertising practices. Additionally, recent amendments to U.S. patent laws may affect the ability of companies, including us, to protect their innovations and defend against claims of patent infringement.

Licensing Requirements

No specific licenses are required under U.S. federal law for our business.

REGULATORY OVERVIEW

LAWS AND REGULATIONS IN THE EUROPEAN UNION

Regulations Relating to General Data Protection

On April 27, 2016, the EU adopted the General Data Protection Regulation (“**GDPR**”) (Regulation (EU) 2016/679) which intends to strengthen and unify data protection for all individuals within the EU. It also addresses the export of personal data outside the EU. The GDPR aims primarily to give control back to citizens and residents over their personal data and to simplify the regulatory environment for international business by unifying the regulation within the EU. The GDPR replaces the data protection directive of 1995 (Directive 95/46/EC). The GDPR became enforceable from May 25, 2018 after a two-year transition period and, unlike a directive, it does not require national governments to pass any enabling legislation, and is thus directly binding and applicable.

GDPR requirements apply both to companies established in the EU and to companies that are not established in the EU but process personal data of individuals who are in the EU (and in the European Economic Area subject to the enactment of implementation procedures), where the processing activities relate to: (a) the offering of goods or services, irrespective of whether a payment of the data subject is required, to such data subjects in the EU; or (b) the monitoring of their behavior as far as their behavior takes place within the EU. The GDPR imposes on concerned companies a large number of obligations, which relate for example, but are not limited, to (i) the principles applying to the processing of personal data, for example, lawfulness, fairness, transparency, purpose limitation, data minimization and “privacy by design,” accuracy, storage limitation, security, confidentiality; (ii) the ability of the controller to demonstrate compliance with such principles (accountability); (iii) the obligation to identify a legal basis before the processing (special requirements apply to certain specific categories of data such as sensitive data); and (iv) data subjects rights (e.g. transparency, right of access, right to rectification, right to erasure, right to restrict processing, right to data portability, right to object to a processing). This leads to companies being under the obligation to implement a number of formal processes and policies reviewing and documenting the privacy implications of the development, acquisition, or use of all new products and services, technologies, or types of data. The GDPR provides for substantial fines for breaches of data protection requirements, which, depending on the infringed provisions of the GDPR, can go up to either: (i) 2% of the annual worldwide turnover of the preceding financial year or EUR10 million, whichever is greater, or (ii) 4% of the annual worldwide turnover of the preceding financial year or EUR20 million, whichever is greater. The fine may be imposed instead of, or in addition to, measures that may be ordered by supervisory authorities (e.g. request to cease the processing). The GDPR and EU Member States law also provide for private enforcement mechanisms and, in the most severe cases, criminal liability.

LAWS AND REGULATIONS IN INDIA

Information Technology Act and Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011

The collection and processing of personal information (PI) and sensitive personal information (SPI) is governed by the Information Technology Act, 2000 (IT Act) and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (Data Protection Rules) issued thereunder.

The Data Protection Rules define PI as information that relates to a natural person, which in combination with other information is capable of identifying such person. SPI is defined as PI which consists of information relating to: (i) passwords; (ii) financial information such as bank account, credit card, debit card or other payment instrument details; (iii) physical, physiological and mental health condition; (iv) sexual orientation; (v) medical records and history; and (vi) biometric information.

Section 43A of the IT Act pertains to the protection of SPI. This section seeks to impose an obligation on all body corporates to implement and maintain ‘reasonable security practices and procedures’ while possessing, dealing or handling sensitive personal data or information on a computer resource. ‘Body

REGULATORY OVERVIEW

corporate' is defined as any company including a firm, sole proprietorship, or other association of individuals engaged in commercial or professional activities. Mobvista India would qualify as a body corporate under this definition and would have to implement reasonable security practices and procedures as required by the Data Protection Rules if it is collecting, handling or otherwise dealing with SPI.

Under the Data Protection Rules, body corporates collecting, handling or storing SPI are required to comply with the following obligations:

- (i) obtain consent of the data subject either in writing or through electronic means prior to the collection of SPI and ensure that the data subject is made aware of the fact that SPI is being collected, the purpose of collection, the intended recipients of the SPI and the name and address of entities collecting and retaining the SPI;
- (ii) ensure that SPI is only used for the purpose for which it has been collected;
- (iii) ensure that SPI is retained only for the period required for the purposes for which it may lawfully be used or is required to be maintained under any other law;
- (iv) provide an option to the data subject, prior to collection, not to provide the SPI sought to be collected and allow the data subject to withdraw the consent at any time;
- (v) permit the data subjects to review PI and SPI provided by them, and correct or amend any information found to be inaccurate or deficient;
- (vi) disclose SPI to third parties only after obtaining the consent of the data subject, unless the data subject has contractually agreed to such disclosure or if the disclosure is necessary for complying with a legal obligation. The body corporate is prohibited from publishing the SPI;
- (vii) obtain prior consent from the data subjects for transferring their SPI with a third party (including cross-border transfer), unless such transfer is necessary for the performance of a lawful contract between the data controller and data subject. The body corporate must also ensure that such third party maintains similar data protection standards as prescribed in the Data Protection Rules;
- (viii) appoint a grievance officer and publish his/her name and contact details on the website of the body corporate; and,
- (ix) adhere to reasonable security standards and have a comprehensive documented information security programme and information security policies that contain managerial, technical, operational and physical security control measures that are commensurate with the information assets being protected with the nature of business, such as international standard IS/ISO/IEC 27001 on "Information Technology — Security Techniques — Information Security Management System — Requirements."

Body corporates that collect, receive, possess, store, deal or handle either PI, SPI or both, are also required to maintain a privacy policy on their website providing for:

- (i) clear and accessible statements of the body corporates practices and policies;
- (ii) type/list of PI or SPI being collected;
- (iii) purpose of collection and usage of the information collected;
- (iv) manner in which the information may be disclosed; and
- (v) reasonable security measures implemented by the body corporate.

Further, according to a press note issued by the Government of India in August 2011, body corporates providing services relating to collection, storage, dealing or handling of SPI under a contractual obligation with another legal entity located within or outside India would not be subject to the obligations relating to collection and disclosure of SPI prescribed in the Data Protection Rules. However, body corporates that provide services to data subjects, who are natural persons, under a direct contractual obligation would have to comply with the obligations relating to collection and disclosure under the Data Protection Rules.

REGULATORY OVERVIEW

If Mobvista India is found to be negligent in complying with any of these obligations under the Data Protection Rules, and thereby causes wrongful loss or wrongful gain to any person, then it would be liable to pay damages to the affected person. Additionally, non-compliance with the Data Protection Rules may attract a penalty of up to INR25,000.

Information Technology (Intermediaries Guidelines) Rules, 2011 (“IT ACT”)

Section 79 of the IT Act provides safe harbour exemption to intermediaries from liability for third party content. The IT Act defines an ‘intermediary’ with respect to an electronic record as a person who on behalf of a third party receives, stores or transmits electronic records or provides any service with respect to that record. Examples of intermediaries include internet service providers, network service providers, search engines, online payment sites, etc. According to this definition, we understand that Mobvista India will be an intermediary with respect to the third-party advertisements that it deals with as a part of its business.

The IT Act states that an intermediary will not be liable for any third-party information made available or hosted by it if:

- (i) it is only providing access to a communication system over which third-party information is transmitted, temporarily stored, or hosted
- (ii) it does not:
 - (a) initiate the transmission;
 - (b) select the receiver of the transmission;
 - (c) select or modify the information contained in the transmission; and
- (iii) it observes due diligence while discharging its duties under the IT Act and also observes other guidelines prescribed by the Central Government of India.

However, an intermediary cannot claim protection under the abovementioned safe harbour if:

- (i) it has conspired, abetted, aided or induced the commission of the unlawful act; or
- (ii) upon receiving actual knowledge through a court order or notification from the appropriate Government or its agency, that information in a computer resource controlled by the intermediary is being used to commit an unlawful act, the intermediary fails to expeditiously remove or disable access to that information without vitiating the evidence.

The Information Technology (Intermediaries Guidelines) Rules, 2011 (Intermediaries Guidelines) lay down the due diligence requirements that must be followed by intermediaries (collectively, “**Due Diligence Requirements**”). Intermediaries are required to publish rules of usage, privacy policy and regulations governing access of their computer resource, which inform users that they cannot use the computer resource to publish or transmit information that:

- (i) belongs to another person and to which the transmitting person does not have any right to;
- (ii) is grossly harmful, harassing, blasphemous defamatory, obscene, pornographic, paedophilic, libellous, invasive of another’s privacy, hateful, or racially, ethnically objectionable, disparaging, relating or encouraging money laundering or gambling, or otherwise unlawful in any manner;
- (iii) harm minors;
- (iv) infringes any patent, trademark, copyright or other proprietary rights;
- (v) violates any law in force;
- (vi) deceives or misleads the addressee about the origin of such messages or communicates any information which is grossly offensive or menacing in nature;
- (vii) impersonates another person;
- (viii) contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer resource; or

REGULATORY OVERVIEW

- (ix) threatens the unity, integrity, defence, security or sovereignty of India, friendly relations with foreign states, or public order or causes incitement to the commission of any cognizable offence or prevents investigation of any offence or is insulting any other nation (collectively, “**Objectionable Content**”).

Intermediaries must respond to removal requests within 36 hours of receiving them if they are notified through a court order or government notification that any unlawful material has been posted or transmitted through the computer resource. Additionally, intermediaries must comply with the following obligations:

- (i) they must provide information and assistance to government agencies for verification of identity, prevention, detection, investigation, prosecution and punishment of offences;
- (ii) they must report real or suspected adverse events in relation to cyber security that violate applicable security policy and result in unauthorised access, denial of service or disruption, etc. The intermediary must also share information relating to such events with the Indian Computer Emergency Response Team (CERT-In);
- (iii) they must not deploy, install or modify the technical configuration of a computer resource which may change the normal course of operation of the computer resource for circumventing any law; and
- (iv) they must publish the name and contact details of a grievance officer on their website and the grievance officer must redress complaints made by users within one month from the date of receipt of the complaint.

If intermediaries comply with all these Due Diligence Requirements then they cannot be held liable for any unlawful content published or transmitted through their computer resource. However, if Mobvista India does anything more than providing a communication system over which third-party information is transmitted, temporarily stored, or hosted (such as exercising editorial control over the advertisements), then it would be unable to claim safe harbour protection.

Content Regulations

There is no specific statute which regulates online advertising in India. However, as an intermediary, Mobvista India is under an obligation to ensure that Objectionable Content is not published through its platform. Advertisements must also comply with various content-related regulations. The key regulations are summarized below:

- (i) advertisements cannot be obscene, i.e. they cannot be lascivious or appeal to prurient interests such that they deprave or corrupt those accessing the advertisement;
- (ii) advertisements are prohibited for drugs that can lead to (a) miscarriage or prevention of conception in women; (b) maintenance or improvement of the capacity of human beings for sexual pleasure; (c) correction of menstrual disorder in women; or, (d) diagnosis, cure, mitigation, treatment or prevention of diseases such as fever, blood poisoning, diabetes, epilepsy, leprosy, pneumonia, and other diseases specified in the Schedule to the Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954. Advertisements are also prohibited if they (a) give a false impression regarding the true nature of a drug; (b) make a false claim for a drug; or (c) are false or misleading in any material particular;
- (iii) advertisements for food cannot mislead or deceive, and also must not (a) falsely represent that the food is of a particular standard, quality, quantity or grade-composition; (b) make a false or misleading representation concerning the need for, or the usefulness of food; (c) guarantee efficacy without scientific justification; (d) falsely describe food; and (e) mislead as to the nature, substance or quality of any food;
- (iv) advertisements cannot suggest or promote the use or consumption of cigarettes or any other tobacco products;

REGULATORY OVERVIEW

- (v) advertisements cannot contain an indecent representation of women, i.e. they cannot depict the figure of a woman, or show her body in a manner that would be indecent, derogatory to, or denigrating women, or would deprave, corrupt or injure public morality;
- (vi) advertising by advocates is prohibited in all forms; and
- (vii) advertisements for distribution, sale or supply of infant milk substitutes, feeding bottles, and infant foods are prohibited.

The Advertising Standards Council of India Code (ASCI Code) is a self-regulatory code for advertisements in India. As per the ASCI Code, advertisements must be (i) truthful and honest; (ii) non-offensive to the public; (iii) against harmful products/situations; and (iv) fair in competition. The ASCI Code also provides guidelines for particular types of advertisements such as those for automotive vehicles, foods and beverages, educational institutions, government and political advertisements and others.

Licensing Requirements

No specific licenses are required under Indian law for our business.

LAWS AND REGULATIONS IN JAPAN

Laws and Regulations Relating to Data Privacy

Under the Act on the Protection of Personal Information (“**APPI**”), the latest amendment of which took effect in May 2017, any entity that uses a searchable database of “personal information” for its business operation is subject to the obligations for the proper handling of personal information for example, the duty to specify the purpose of use, notification of purpose of use for the collection of personal information, requirement for consent for the third party provision). APPI and its implementing regulations define personal information as (i) information about a living individual which can identify the specific individual by name, date of birth or other description and (ii) information that contains personal identifier code (for example, DNA data, biometric data, passport numbers, driver’s licence number). Data such as cookies, IP address or mobile identifiers may fall within personal information when it can identify the specific individual by collating such data with other information.

In addition to the APPI, the Personal Information Protection Commission (“**PPIC**”) has issued various guidelines that provide an interpretation of the APPI relating to such topics as security measures, anonymisation or transfer to overseas third party. PPIC has recently proposed the draft guidelines for processing of personal data to be transferred from EU, which aims to ensure that Japan will have an adequate level of data protection under the EU General Data Protection Regulation.

Regulations on Mobile Advertising Business

Whilst there are certain laws and regulations in Japan that are applicable to the advertising activities of publishers (for example, restrictions on misleading presentation or consumer protection laws), there are no laws or regulations restricting the provider of mobile advertising platform, including license requirement for such business.

LAWS AND REGULATIONS IN SOUTH KOREA

Regulations Relating on Collection and Handling of Information Online

Consent to the Collection of Personal Information

For us to collect or use the personal information of the user, we must inform each of the following items to the user and obtain the user’s consent to each such item: (Article 22(1) of the Act on Promotion of

REGULATORY OVERVIEW

Information and Communications Network Utilization and Information Protection (the “**IC Network Act**”)) (i) the purpose of collection and use of the personal information; (ii) the items of personal information to be collected; (iii) the period of retention and use of the personal information; and (iv) the fact that the user has the right to refuse to give consent and the disadvantages that may follow if he or she makes such refusal

The term “personal information” refers to any information that identifies a specific living individual such as the names, resident registration numbers and others. If there is certain information that can be easily combined with other information and once combined, the combined information can identify a specific individual, such information would also constitute the personal information (even if that information alone is not enough to identify any specific individual). (Article 2(1)(vi) of the IC Network Act).

Consent to the Provision of the Personal Information to a Third Party

In the event we provide the personal information we have collected to the advertiser for the business of the advertiser, we must inform each of the following items to the user and obtain the user’s consent to each such item: (i) the recipient of the personal information; (ii) the recipient’s purpose of use of the personal information; (iii) the items of personal information to be provided; (iv) the period of retention and use of the personal information by the recipient; and (v) the fact that the user has the right to refuse to give consent and the disadvantages that may follow if he or she makes such refusal. (Article 24-2(1) of the IC Network Act) If that advertiser is located overseas, the information relating to (i) the country to which personal information is to be transferred, and (ii) the date and method of such transfer must be additionally informed to the user and the user’s consent to the foregoing items must be obtained.

Licensing Requirements

In general, there are no specific licensing requirements for the collection and handling of the information online. However, anyone that provides business services by using the location information of the users, which has been collected through mobile devices, is required to report such businesses to the Korea Communications Commission (Article 9 of the Act on the Protection and Use of the Location Information).

Regulations on the Online Advertisement

Consent to the Receipt of the Advertisement

To send any advertising information for profit by electronic transmission medium, the transmitter must obtain the explicit prior consent from the recipient (Article 50(1) of the IC Network Act). The electronic transmission medium means wire or wireless telephone, email, fax, PC, tablet PC or any other medium that can transmit the information in electronic form through information communication network. Accordingly, any advertisement transmitted through mobile app or mobile messengers will be also subject to the IC Network Act. The consent to the receipt of the advertisement must be (i) obtained in advance, (ii) explicitly given, and (iii) received separately from that received for the collection and use of the personal information.

Review on the Contents of the Advertisement

In general, there are no specific regulations regulating the contents of the online advertisement. However, as for any advertisement that may be harmful to the health and body of consumers or the youth, the contents of such advertisement are subject to review. In other words, in the case of any advertisement on medical practice or medical device, medical products, food, or film, the appropriateness of such advertisements must be reviewed in advance by the related organization. As for the advertisement on games, they are not subject to any preliminary review, but if the Game Rating and Administration Committee later monitors and finds out about illegality of the advertisement such as the contents related to gambling, it may issue the correction recommendation order.

REGULATORY OVERVIEW

Licensing Requirements

Any person who provides banner ads or push ads online, such as mobile apps, shall report the value-added telecommunications business to the Minister of the Ministry of Science and ICT. However, such reporting requirement is waived for anyone having a capital of equal to or less than KRW100,000,000 (Article 22(1)(4) of the Telecommunications Business Act).

LAWS AND REGULATIONS IN INDONESIA

Laws and Regulations on Data Privacy and Protection

Currently, the data privacy or data protection is mainly regulated under three main regulations, namely: (i) Law No. 11 of 2008 on Electronic Information and Transaction, as amended by Law No. 19 of 2016 (“**EIT Law**”); (ii) Government Regulation No. 82 of 2012 on Implementation of Electronic Systems and Transactions (“**GR 82**”); and (iii) Minister of Communications and Informatics Regulation (“**MOCI**”) No. 20 of 2016 on the Data Protection in Electronic System (“**Data Protection Regulation**”). However, the government is currently discussing draft personal data protection law and draft amendment to GR 82 (“**Draft Amendment**”).

Personal Data

Under the Data Protection Regulation, “Personal Data” is defined as “certain individual data which is stored, maintained and kept accurate and the confidentiality of which is protected.” Meanwhile, “certain individual data” is defined as “true and actual information that is attached to and identifiable towards, directly or indirectly, an individual.” The above definition only covers data of individuals and does not cover data on businesses (for example, company’s name, address and phone number). The definition is very broad and basically could cover any information of an individual. It is unclear what would not be considered as Personal Data and whether anonymized data or publicly available data (or data which is otherwise not confidential) is covered under the definitions. As of the Latest Practicable Date, mobile device IDs or IP addresses have never been considered as Personal Data under the Data Protection Regulation.

Draft Amendment to GR 82

The Indonesian Government (through MOCI) has issued the Draft Amendment for public comment and feedback. For context, under GR 82, electronic system operators that provide a “public service” were required to have onshore data centers and disaster recovery centers by 15 October 2017.

However, there has never been any clarification on the definition and coverage of “public service.” There has been extensive lobbying from cloud providers and the business community (the latter on costs for business) and there have been different approaches taken by sectoral regulators. In October 2017, the MOCI indicated that it would revise GR 82 to introduce data categorization and lessen, where possible, the requirements for data localization.

The Draft Amendment addresses these points and expands on other matters. Unfortunately the Draft Amendment does not differentiate between data controllers and data processors as in other countries. The Draft Amendment introduces (i) a broad definition of electronic system operators that provide a “public service”; (ii) a brand new concept of data categorization; (iii) implementing provisions for the registration of electronic system operators; (iv) implementing provisions for the right to be forgotten; and (v) implementing provisions for the Indonesian government’s right to terminate access to electronic information and/or documents (generally in respect of unlawful online content).

REGULATORY OVERVIEW

The Draft Amendment states that the following electronic system operators are providing a “public service,” namely electronic system operators (i) which regulated or monitored by sectoral agencies and regulators; (ii) for governmental institutions; and (iii) that own electronic systems that:

- (i) are an online portal, site or application through the internet (including digital platforms) used to facilitate offers of, and/or trade in, goods and/or services;
- (ii) have a facility for online payment and/or financial transactions through a data communication network or the internet;
- (iii) process electronic information containing or requiring a deposit of funds or funds equivalent;
- (iv) are used to process, manage or store data, including Personal Data, for operational activities serving the public in connection with electronic transaction activities;
- (v) are used to deliver paid digital material through a data network either by way of downloading from a portal/site, email delivery, or through any other application to the user’s device; and
- (vi) provide, manage, and/or operate a communication service in the form of short message, voice call, video call, electronic mail, and online chat (chatting/instant messaging), search engine, social media and social network, and a service of provision of digital information that may be in the form of text, sound, image, animation, music, video, movie, game or a combination of any and/or all of them, including in the form of streaming or downloading.

So this is still a very broad categorization, and for example will have an impact on all websites that collect or process information, does not distinguish between public facing or non-public facing systems and potentially, given the data categorization issues raised below, might still mean that Indonesian citizens’ Personal Data cannot leave Indonesia. Subject to the data categorization section below (and the concern whether all Indonesian citizens’ Personal Data can be categorized as strategic electronic data), this means all the above electronic system operators need to be registered but may not need to have onshore data centers and disaster recovery centers. The process is meant to be a registration process, although in reality to date this has been an approval process. However, the Draft Amendment does not specifically elaborate which sectoral agencies and regulators are authorized to determine that an electronic system operator provides a “public service.” In reality though, given the tenor of other amendments in the Draft Amendment, it will be left to Indonesian government sectoral agencies and regulators to make a determination in their own sectoral regulations. So in many respects the MOCI is leaving the determination to other sectoral agencies and regulators and, in the Draft Amendment, the MOCI is only focusing on electronic system operators over which it has jurisdiction.

Draft Personal Data Protection Law

With the rapid growth of the IT industry and culture in Indonesia, since 2014 the MOCI has also been proposing that the Parliament passes a data protection law. In 2015, the Indonesian government issued a draft data protection law for public comment (“**Initial Draft Law**”). The Indonesian government just recently issued a new draft Personal Data protection law (“**Draft Law**”). The Draft Law is not in the 2018 National Legislation Program, which is a list of prioritized laws for Parliament’s deliberation. Consequently it is uncertain when the Draft Law will be passed, however the Indonesian government may prioritize the Draft Law by early next year.

Among other things, the Draft Law deals with Personal Data categorization, differentiation between the concepts of data controller and data processor (absent to date), processing Personal Data, and the forming of a dedicated dispute settlement commission. Failure to comply with the provisions under the Draft Law could lead to administrative sanctions, including orders to cease activities, orders to delete Personal Data and orders to stop unauthorized use of Personal Data, and provides for indemnity payments and monetary penalties. In addition, there are also criminal sanctions for certain actions, such as Personal Data forgery and unauthorized sale of Personal Data.

REGULATORY OVERVIEW

In terms of coverage, the Draft Law states that it has extraterritorial coverage and applies to individuals, public bodies, business actors and public organizations, whether domiciled in Indonesia or outside of Indonesia, that conducts and harm the interests of Indonesia.

Sanctions

The EIT Law, GR 82 and the Data Protection Regulation do not provide any specific criminal sanctions in respect of a breach of data privacy.

However, it should be noted that under Article 32 of the EIT Law: (i) each person shall be prohibited intentionally and unlawfully changing, adding, reducing, transmitting, destroying, disappearing, transferring and hiding in any way electronic information and/or electronic document belonging to other person or public; (ii) each person shall be prohibited intentionally and unlawfully moving or transferring electronic information and/or electronic document to other person; and (iii) each person shall be prohibited intentionally or unlawfully from committing the action as referred to in (i) that cause confidential electronic information and/or electronic document to become accessible by public with the data totally different from the actual data.

Violation of the above provisions may be subject to imprisonment up to 10 years and/or a monetary fines up to five billion Rupiah. Other than the EIT Law, Article 322.1 of the Indonesian Criminal Code also provides that anyone who intentionally discloses confidential information that he/she is under an obligation to keep secret by virtue of his/her present or past position or employment is subject to imprisonment of nine months. Violation of GR 82 and the Data Protection Regulation is also subject to the administrative sanctions in the form of warning letters; administrative fines; suspension; and deregistration.

To the best of our knowledge, enforcement of data privacy clauses, for example, through courts has yet to be tested in Indonesia and there have been no court cases reported in relation to data privacy breaches. However, please note that legal cases are not publicly available in Indonesia and there are no law reports unlike in common law countries.

HISTORY AND CORPORATE STRUCTURE

KEY CORPORATE MILESTONES

The following is a summary of our key corporate development milestones:

Date	Event
March 2013.	Our mobile advertising business operations commenced through our predecessor operating entities Our mobile advertising services operating platform was launched, providing mobile advertising services primarily to PRC app developers
November 2014 - January 2015 . .	In anticipation of the planned offshore financing activities, we adopted an offshore red-chip holding structure and migrated our businesses conducted through our predecessor operating entities to our current group structure We introduced NetEase (Hong Kong) Limited at an offshore level as our private equity investor
May - July 2015	For purposes of enabling our listing on NEEQ, we unwound our offshore holding structure and adopted a PRC onshore holding structure with Guangzhou Mobvista as our onshore holding vehicle We completed two rounds of onshore private equity financing
July 2015	We launched Mintegral, our integrated proprietary platform for programmatic mobile advertising
November 2015.	We completed the listing of Guangzhou Mobvista on NEEQ
March 2016.	We acquired nativeX, LLC, a U.S.-based company that operates a native advertising platform
August 2016	We acquired Game Analytics ApS, a Denmark-based company that operates a SaaS game data analytics platform for game developers
April - August 2018.	We underwent the Reorganization in preparation of the Listing. We spun-off our core subsidiaries and operations into our current Cayman Islands listing vehicle, a wholly owned subsidiary of Guangzhou Mobvista

OUR CORPORATE HISTORY AND DEVELOPMENT

Our Predecessor Operating Entities

The history of our Group traces back to two of our predecessor operating entities, namely (i) MNC HK, a company incorporated in Hong Kong in March 2013, and (ii) Guangzhou Gamo, a company established in the PRC in November 2013. Our early phase of mobile advertising business operations from March 2013 to December 2014 were conducted through such predecessor operating entities. Each of MNC HK and Guangzhou Gamo was held by Mr. Duan, Mr. HUANG Weijian (黃偉堅) (“**Mr. Huang**”), Mr. MA Li (馬力) (“**Mr. Ma**”) and Mr. ZHONG Zhiyong (鍾智勇) (“**Mr. Zhong**”) as to 35.50%, 21.50%, 21.50% and 21.50% (the “**Founding Shareholders**”), respectively, since their respective inception until our adoption of our offshore red-chip structure as described below.

HISTORY AND CORPORATE STRUCTURE

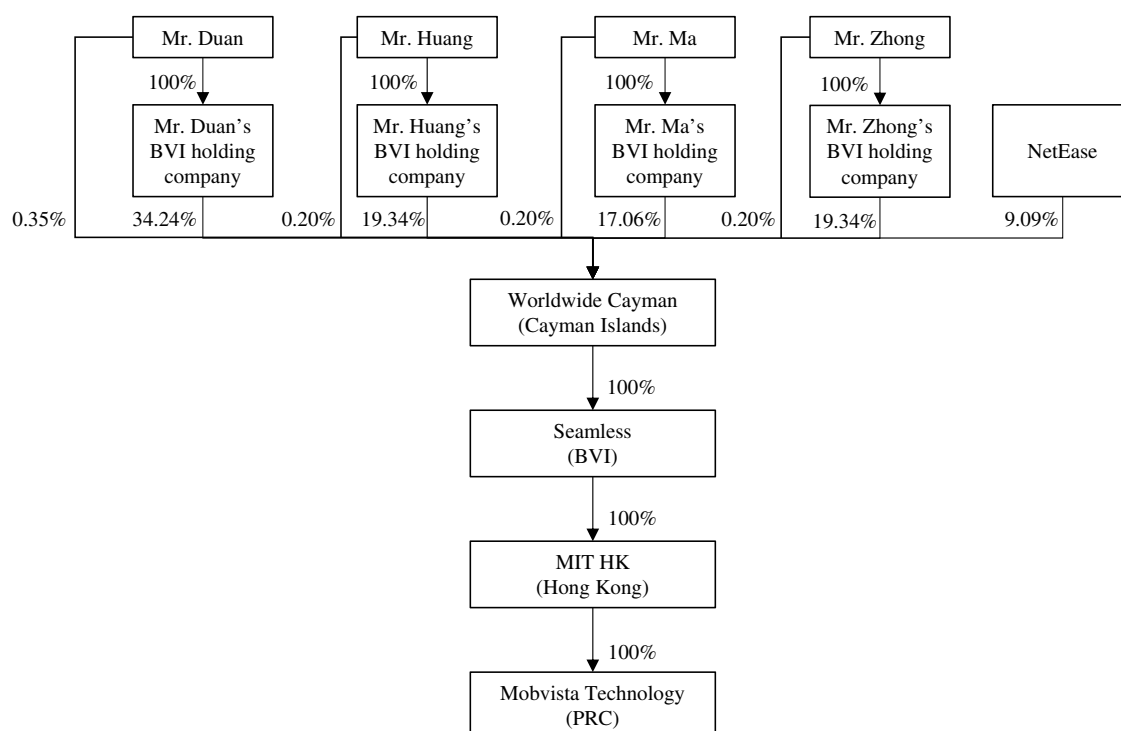
2014-15 Offshore Corporate Structure

Since late 2014, in order to support our business growth and to adopt an offshore red-chip holding structure in anticipation of raising funds from private equity investors at an offshore level, we conducted certain restructuring steps as below:

- ***Incorporation of a Cayman Islands holding company.*** In November 2014, Worldwide Cayman was incorporated in the Cayman Islands. Worldwide Cayman was beneficially owned as to approximately 38.04%, 21.49%, 18.98% and 21.49% by Mr. Duan, Mr. Huang, Mr. Ma and Mr. Zhong, respectively.
- ***Incorporation of a BVI holding vehicle.*** In November 2014, Seamless was incorporated as a holding vehicle in the BVI and a wholly-owned subsidiary of Worldwide Cayman.
- ***Establishment of our Hong Kong operating subsidiary.*** In December 2014, MIT HK was incorporated in Hong Kong as one of our core operating entities and a wholly-owned subsidiary of Seamless.
- ***Establishment of WFOE.*** In April 2015, Mobvista Technology was established in the PRC as one of our core operating entities and a wholly-owned subsidiary of MIT HK.
- ***Business migration into the offshore structure.*** In late 2014, we migrated business operations of MNC HK and Guangzhou Gamo into the newly incorporated offshore structure. In particular, all business contracts in connection with our mobile advertising business were assigned by MNC HK to MIT HK by the end of 2014. Our core management team managed MIT HK from January to May 2015 through a management service arrangement between Guangzhou Gamo and MIT HK, as we were still in the process of incorporating of Mobvista Technology, the onshore operating vehicle under the newly incorporated offshore structure. As part of such arrangement, the employment relationships of our core management team were retained at Guangzhou Gamo until May 2015. Shortly after the incorporation of Mobvista Technology, the employments of our core management team were transferred to Mobvista Technology. The business migration was substantially completed by the end of 2014. Upon completion of the business migration, MNC HK and Guangzhou Gamo did not have substantive business operation other than provision of management services to MIT HK.
- ***Introduction of NetEase as a private equity investor.*** In January 2015, we introduced NetEase (Hong Kong) Limited (“NetEase”) as an investor at our Cayman level. In particular, we issued 26,000,000 series A preference shares of Worldwide Cayman, representing approximately 9.09% of Worldwide Cayman’s then issued share capital on an as-converted basis, for a total consideration of US\$2.6 million. The consideration was determined based on arm’s length negotiation and the parties’ mutual view as to the valuation of Worldwide Cayman and its subsidiaries at the time of the transaction. NetEase also agreed to a second closing of an additional tranche of investment, representing one-third of the initial tranche, however, it was not closed at an offshore level (but later at an onshore level) due to our decision to adopt an onshore structure to achieve a listing on NEEQ.

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The following diagram illustrates our Group structure in April 2015, after the offshore investment by NetEase:



Adoption of 2015 Onshore Structure and Listing on the NEEQ

In 2015, we decided to unwind our then red-chip offshore holding structure for purposes of achieving our NEEQ listing in light of the favorable regulatory policy and market conditions in China.

Our adoption of onshore structure was conducted through Guangzhou Huitao, a PRC limited liability company which became jointly owned by Mr. Zhong and his wife in February 2015. As of the time of such restructuring, Guangzhou Huitao did not engage in any meaningful operations. In particular:

- Adjustment of shareholding and adoption of an employee incentive plan at an onshore level.***
 In particular, based on arm's length negotiations among Mr. Duan, Mr. Zhong, Mr. Huang and Mr. Ma, shareholders decided to adjust the respective shareholding in our business at the level of Guangzhou Huitao by contributing a certain amount of equity interest in Guangzhou Huitao into an employee incentive plan established for providing long-term incentive to our employees. In particular, in May 2015, shares were transferred between Mr. Zhong and his wife on one hand, and Mr. Duan, Mr. Ma and Mr. Huang on the other, with the amount of shareholding transferred being determined based on shareholders' negotiations taking into account their historical contribution to the inception, involvement and development of our businesses. In addition, a limited amount of shares were transferred by Mr. Zhong to Mr. Cao in recognition of Mr. Cao's contribution to the financing activities of Guangzhou Huitao inside China. As a result of such transactions, Guangzhou Huitao was owned by Mr. Duan, Mr. Zhong, Mr. Huang, Mr. Ma and Mr. Cao as to 65.51% (including 29.30% held on behalf of the employee incentive plan), 15.82%, 10.04%, 6.76% and 1.87%, respectively, upon completion of the above transfers conducted at agreed consideration permissible pursuant to applicable laws and regulations.

HISTORY AND CORPORATE STRUCTURE

- **Establishment of the holding platform of the employee incentive plan.** Guangzhou Huimao Investment Management Center (Limited Partnership)* (廣州匯懋投資管理中心(有限合夥)) (“**Guangzhou Huimao**”) was established in May 2015 as the holding platform for employee incentive plan. The general partner of Guangzhou Huimao is Guangzhou Huisui Investment Management Co., Ltd.* (廣州匯隧投資管理有限公司) (“**Guangzhou Huisui**”), which was then owned by Mr. Duan, Mr. Cao, Mr. Zhong and Mr. Huang as to 85%, 5%, 5% and 5%, respectively. In May 2015, Mr. Duan transferred 29.30% equity interest in Guangzhou Huitao to Guangzhou Huimao.
- **Injection of our core operations into Guangzhou Huitao.** In May 2015, Worldwide Cayman transferred 100% equity interest in Seamless to Guangzhou Huitao for a consideration of US\$2 million, determined with reference to the net assets value of Seamless, thereby injecting our core businesses and operations into Guangzhou Huitao.

We continued to introduce additional private equity investors into Guangzhou Huitao, namely (i) Kashgar Zhuoshi Chengyu Venture Investment Co., Ltd.* (喀什琢石成玉創業投資有限公司, “**Kashgar Zhuoshi**”), (ii) Chengcheng Investment Holding Co., Ltd.* (誠承投資控股有限公司, “**Chengcheng Investment**”), (iii) Mr. LI Shilei (李石磊), and (iv) Shanghai Culture Industry Equity Investment Fund Partnership (Limited Partnership)* (上海文化產業股權投資基金合夥企業(有限合夥), “**Shanghai Culture**”). In particular, Shanghai Culture acquired 4%, 0.17% and 1.17% of equity interest from Mr. Ma, Mr. Zhong and Mr. Huang, respectively, for a total consideration of RMB80 million. The other shareholders invested through subscribing for shares issued by Guangzhou Huitao, with the consideration amounting to RMB18.6 million, RMB24.8 million and RMB8.0 million, respectively. Such consideration was determined based on arm’s length negotiation and parties’ mutual view as to the valuation of Guangzhou Huitao.

In addition, in order to restore NetEase’s investment at the on-shore level, NetEase exited from Worldwide Cayman in September 2015 through a repurchase by Worldwide Cayman of all its series A preference shares at a consideration of US\$2.6 million, being the original investment consideration. At an onshore level, Guangzhou Boguan Information Technology Co., Ltd.* (廣州博冠信息科技有限公司, “**Guangzhou Boguan**,” which is an onshore subsidiary of NetEase) completed its investment with RMB24.3 million (being the Renminbi equivalent of the originally agreed amount at an offshore level).

Upon completion of the above capital restructuring, Guangzhou Huitao was held by 11 shareholders, namely Mr. Duan, Guangzhou Huimao, Mr. Zhong, Mr. Huang, Mr. Cao, Mr. Ma, Guangzhou Boguan, Kashgar Zhuoshi, Chengcheng Investment, Mr. LI Shilei and Shanghai Culture as to 27.61%, 22.34%, 11.90%, 6.49%, 1.43%, 1.16%, 10.44%, 4.88%, 6.51%, 1.92% and 5.33%, respectively.

In preparation for the NEEQ listing, in July 2015, we converted Guangzhou Huitao into a PRC joint stock limited company which was subsequently renamed as Guangzhou Mobvista.

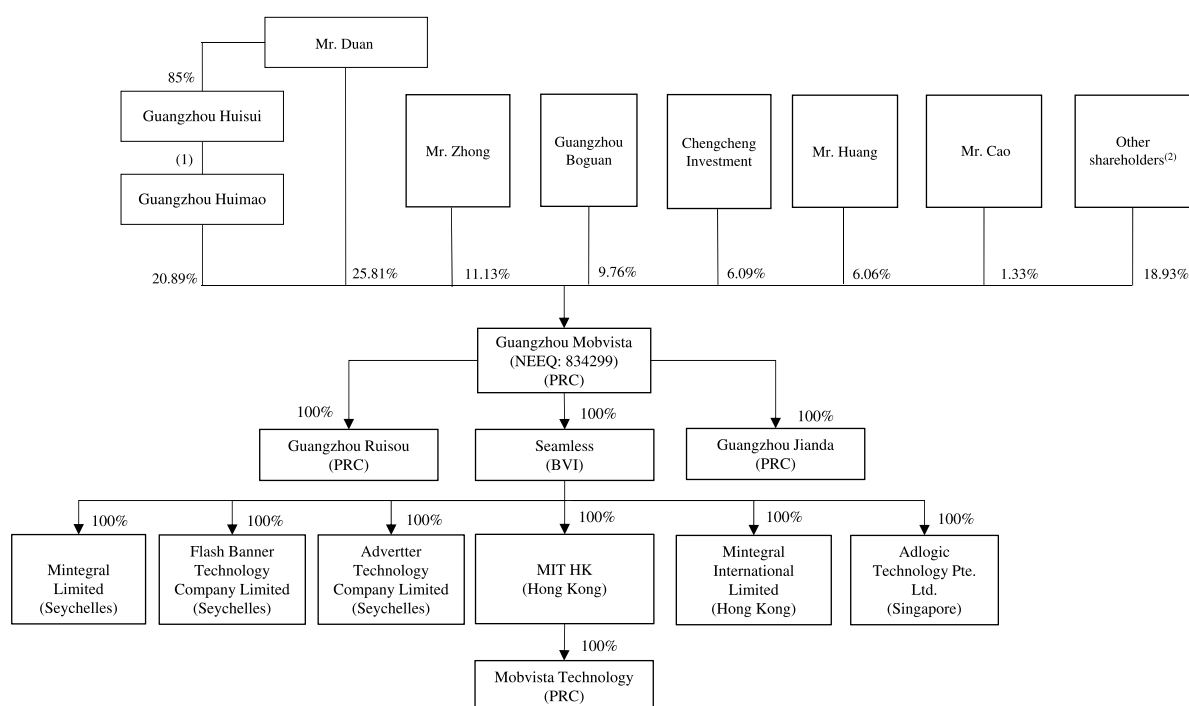
In July 2015, Guangzhou Mobvista received capital injections from additional private equity investors totaling RMB125,000,000. Such investors include Hunan Mango Haitong Creative Culture Investment Partnership* (湖南芒果海通創意文化投資合夥企業, “**Hunan Mango**”), Yuandaxin Capital - CSC Securities - Yuanda Xin Capital - Jubao No. 1 Special Asset Management Plan* (元達信資本-中信建投證券-元達信資本-聚寶1號專項資產管理計劃, “**Yuandaxin**”), Shanghai Haitong Digital Media Xin’er Venture Capital Management Center (Limited Partnership)* (上海海通數媒新二創業投資管理中心(有限合夥), “**Shanghai Haitong**”), Beijing Runxin Dingtai Capital Management Co., Ltd.* (北京潤信鼎泰資本管理有限公司, “**Beijing Runxin**”) and Ms. QIN Shengxian (秦聖嫻), who invested RMB50 million, RMB35 million, RMB30 million, RMB5 million and RMB5 million into Guangzhou Mobvista, respectively, holding 2.60%, 1.82%, 1.56%, 0.26% and 0.26% of equity interest in Guangzhou Mobvista, respectively.

HISTORY AND CORPORATE STRUCTURE

In July 2015, Guangzhou Mobvista acquired the entire equity interest of Guangzhou Ruisou, a company then engaged in mobile advertising, from an independent third party for a consideration of RMB150,000, which was determined based on arm's length negotiation and parties' mutual view as to the valuation of Guangzhou Ruisou at the time of the transaction.

As our business continued to grow and to further leverage our unique business nature with significant international expansion potentiality, we also emphasized on continuing expanding internationally. In particular, Guangzhou Mobvista Group, through Seamless, incorporated three subsidiaries in the Seychelles, including Mintegral Limited (formerly known as Pointer Ad Technology Company Limited), Flash Banner Technology Company Limited, and Advertter Technology Company Limited, and one subsidiary in Singapore, namely Adlogic Technology Pte. Ltd. In addition, Seamless acquired the entire equity interest of Mintegral International Limited (formerly known as Dime Freak Technology Limited), a company incorporated in Hong Kong, from an independent third party in September 2015 for a consideration of HK\$10,000, which was determined based on arm's length negotiation and parties' mutual view as to the valuation of Mintegral International Limited at the time of the transaction.

In November 2015, Guangzhou Mobvista was listed on the NEEQ with the stock code 834299. The listing of Guangzhou Mobvista on the NEEQ did not involve any offering or placement of shares or any other securities of Guangzhou Mobvista, and no proceeds were raised in connection with the NEEQ-listing of Guangzhou Mobvista. The diagram below illustrates the shareholding structure of Guangzhou Mobvista Group immediately prior to its listing on NEEQ:



Note:

- (1) The general partner of Guangzhou Huimao was Guangzhou Huisui (held by Mr. Duan, Mr. Cao, Mr. Zhong and Mr. Huang as to 85%, 5%, 5% and 5%, respectively), which held 1% interest in Guangzhou Huimao. The limited partner of Guangzhou Huimao was Mr. Duan, holding 99% interest in Guangzhou Huimao. Currently the general partner, namely Guangzhou Huisui, holds the entire voting and disposition power in Guangzhou Huimao.
- (2) Other shareholders included Shanghai Culture, Kashgar Zhuoshi, Hunan Mango, Yuandaxin, Mr. LI Shilei, Shanghai Haitong, Mr. Ma, Beijing Runxin and Ms. QIN Shengxian, which held 4.99%, 4.56%, 2.60%, 1.82%, 1.80%, 1.56%, 1.08%, 0.26% and 0.26%, respectively.

HISTORY AND CORPORATE STRUCTURE

Continued Development of Guangzhou Mobvista Group

The business of Guangzhou Mobvista Group continued to grow substantially since the listing of Guangzhou Mobvista on NEEQ.

In March 2016, Guangzhou Mobvista acquired the entire equity interest of Huiju Shanhe, a company engaged in mobile advertising business, from the then shareholders of Huiju Shanhe, including Mr. Duan, Mr. Zhong, Mr. Ma and Mr. Huang who held 35.5%, 21.5%, 21.5% and 21.5% interest, respectively, for nil consideration.

From March 2016 to October 2016, Guangzhou Mobvista also established two subsidiaries in the PRC, namely Zhuhai Huiliang and Shenzhen Huirui. Shenzhen Huirui is primarily engaged in mobile advertising business and Zhuhai Huiliang is primarily engaged in investment holding.

In addition to the subsidiaries in Hong Kong, Singapore and Seychelles incorporated or acquired prior to the NEEQ-listing of Guangzhou Mobvista as set out above, Guangzhou Mobvista Group continued to further expand into various jurisdictions in the global market by establishing three subsidiaries in the U.S., and a subsidiary in each of the Netherlands, Japan and India. See “— Our Subsidiaries” in this section.

Furthermore, Guangzhou Mobvista Group also expanded its business through acquisitions of overseas companies to create synergy with its mobile advertising business.

- **Acquisition of nativeX, LLC.** nativeX, LLC is a company founded in the United States in June 2010, specializing in monetization and advertising for mobile games and apps through its platform, which allows advertisers to launch mobile advertising campaigns in the form of native advertising. The revenue, total assets and net loss of nativeX, LLC in 2015 was approximately US\$26 million, US\$8 million and US\$4 million, respectively. Realizing the synergy potential of strengthening our native advertising technology and video advertising technology capabilities, especially technologies used in our Mintegral SDK as well as enhancing our market presence in the United States in line with our “Glocal” strategy, in March 2016, Guangzhou Mobvista Group, through USCore, Inc. (a wholly-owned subsidiary of Seamless), acquired the entire equity interests of nativeX, LLC from an independent third party. The consideration of such acquisition was US\$25 million, which was determined based on arm’s length negotiation and parties’ mutual view as to the valuation of nativeX, LLC at the time of the transaction, which was fully settled in March 2016.
- **Acquisition of Game Analytics ApS.** Game Analytics ApS is a company incorporated in Denmark which operates a SaaS game data analytics platform for game developers. MIT HK (which later assigned its rights and obligations under the relevant share purchase agreement to Eurocore B.V., a wholly-owned subsidiary of MIT HK) acquired 90.01% equity interest in Game Analytics ApS from certain independent third parties for a consideration of US\$9.9 million, which was fully settled in August 2016. Eurocore B.V. later acquired the remaining 9.99% equity interest in Game Analytics ApS from an independent third party for a consideration of US\$0.8 million, which was fully settled in September 2017. The consideration for each of these acquisitions was determined based on arm’s length negotiation and parties’ mutual view as to the valuation of Game Analytics ApS at the time of the transaction. For more information regarding the business intelligence services we provide through Game Analytics ApS’ platform, see “Business — Our Platform — Our Mobile Analytics SaaS Platform” in this prospectus.

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In March 2016, Guangzhou Mobvista issued 4,217,965 shares to China Industrial International Trust Limited — Fengli Investment Single Fund Trust (Period 1)* (興業國際信託有限公司-豐利投資單一資金信託(1期), “**Fengli Trust**”) for a consideration of approximately RMB10.5 million, representing 5% of the issued share capital of Guangzhou Mobvista upon completion of such share issuance. The trustee and sole beneficiary of Fengli Trust is Guangzhou Huiqian Investment Management Centre (Limited Partnership)* (廣州匯潛投資管理中心(有限合夥), “**Guangzhou Huiqian**”), another holding platform of our employee incentive plan. As of March 2016, the general partner of Guangzhou Huiqian was Mr. Cao, who held 1% interest in Guangzhou Huiqian. The limited partners of Guangzhou Huiqian were Mr. Fang, Mr. Xi, Mr. WANG Ping and Ms. BAI Biru, holding 27.26%, 27.26%, 27.26%, and 17.21% interest in Guangzhou Huiqian, respectively. Currently the general partner, namely Mr. Cao, holds the entire voting and disposition power in Guangzhou Huiqian.

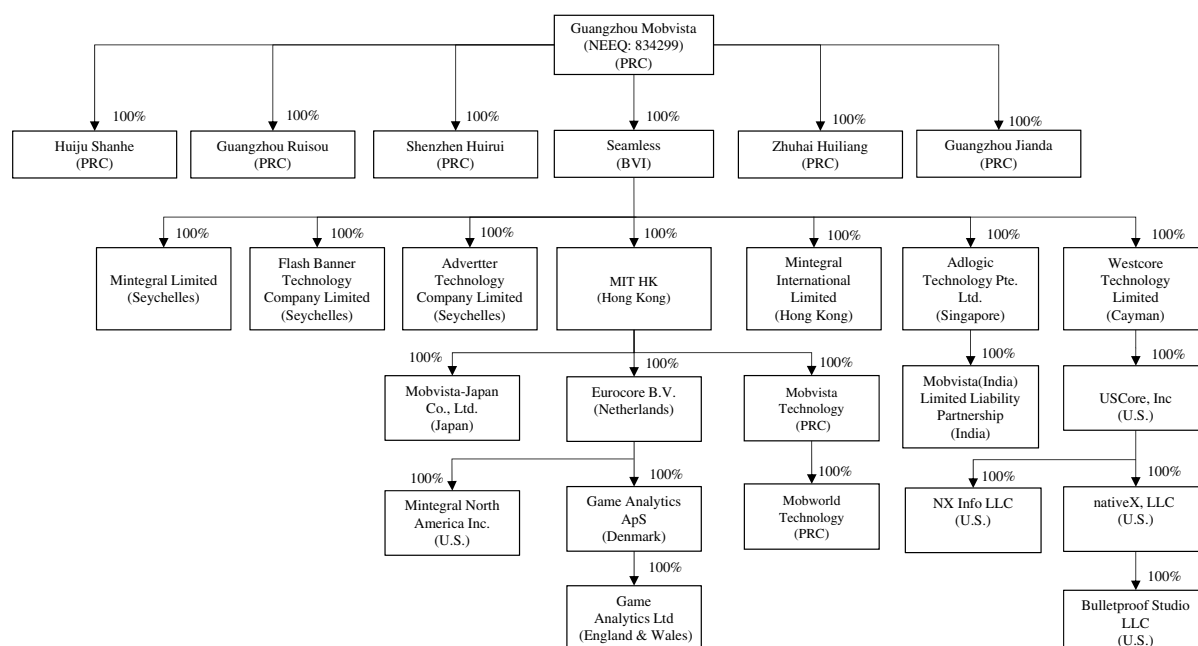
Later in July 2016, Guangzhou Mobvista introduced another 19 shareholders and issued an aggregate of 8,801,703 shares, for a total consideration of approximately RMB521.7 million, representing 9.45% of the issued share capital of Guangzhou Mobvista upon completion of such share issuance. None of these 19 shareholders held more than 5% interest in Guangzhou Mobvista as of the date of investment or as of the date of this prospectus.

The Proposed A-share Listing

In March 2017, Guangzhou Mobvista initiated the early phase of preparation for an A-share listing by lodging a registration with the Guangdong Administration of the CSRC (中國證監會廣東監管局) in respect of the commencement of the tutoring period of Guangzhou Mobvista by Industrial Securities Co., Ltd.* (興業證券股份有限公司) (“**ISC**”). The tutoring period is a prerequisite for submission of A-share listing applications to any stock exchange in the PRC, during which the relevant sponsor will assist and provide trainings to the applicant, among other things, to improve the applicant’s organizational structure, internal management and corporate conduct and prepare application documents for its A-share listing application. The Company is advised that (i) there is no limitation or maximum period set for the tutoring period in connection with A-share listing process under applicable PRC laws and regulations (although there is a prescribed minimum period of three months for such sponsor tutoring before the applicant becomes eligible for submitting an A-share listing application), (ii) there is no legal obligation for Guangzhou Mobvista to proceed or not proceed with the A-share listing application, and (iii) there is no regulatory requirement for Guangzhou Mobvista to terminate the tutoring period after a certain period of time following the commencement of the tutoring period. As of the Latest Practicable Date, the tutoring period of Guangzhou Mobvista had not been completed and Guangzhou Mobvista had not submitted its A-share listing application, and therefore no comments have been received from the relevant regulators, including the CSRC, in connection with a proposed A-share listing application for Guangzhou Mobvista. Currently, Guangzhou Mobvista is focusing on its plan to pursue a listing of the Company in Hong Kong, which requires significant restructuring and managerial attention and effort. As such, Guangzhou Mobvista does not plan to submit its A-share listing application and proactively pursue an A-share listing until the completion of the listing of the Company. However, Guangzhou Mobvista will continue to monitor the A-share regulatory environment and market conditions and evaluate its options for progressing its A-share listing plan. Our Directors are of the view, which the Joint Sponsors concur, that there are no other matters in relation to the proposed A-share listing of Guangzhou Mobvista that need to be brought to the attention of the relevant regulators and investors.

HISTORY AND CORPORATE STRUCTURE

Set out below is the corporate structure of Guangzhou Mobvista Group upon completion of the above steps and immediately prior to the Reorganization.



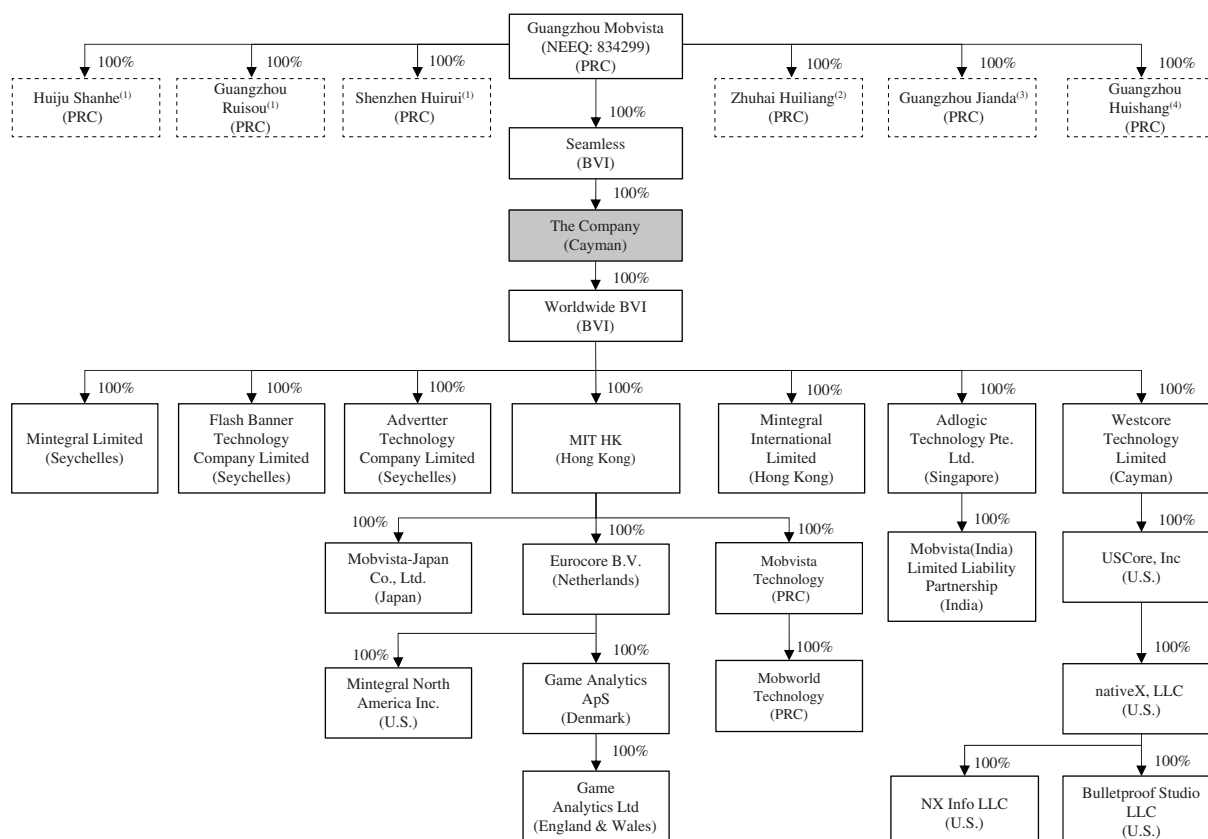
REORGANIZATION

For purposes of enabling a listing on the Stock Exchange of our core subsidiaries and operations engaging in mobile advertising and mobile analytics business, we undertook the following reorganization steps in preparation for the Listing:

- ***Incorporation of our Company.*** In April 2018, we were incorporated as a Cayman Islands holding vehicle, being a wholly-owned subsidiary of Seamless.
- ***Establishment of BVI holding vehicle.*** In April 2018, Worldwide BVI was incorporated as a wholly-owned subsidiary of Seamless, in the BVI.
- ***Injection of Seamless' subsidiaries into Worldwide BVI.*** In May 2018, Worldwide BVI issued 60,217,492 shares to Seamless, as consideration of which, Seamless (i) transferred the entire share capital of Mintegral Limited, Flash Banner Technology, Advertiser Technology Company Limited, Mintegral International Limited, Westcore Technology Limited and Adlogic Technology Pte. Ltd. to Worldwide BVI in May 2018, and (ii) transferred the entire share capital of MIT HK to Worldwide BVI in August 2018.
- ***Injection of Worldwide BVI into our Company.*** As part of the Reorganization, in August 2018, our Company (i) issued 1,000,000 Shares to Seamless and (ii) credited US\$60,207,493 to the Company's share premium account, as a consideration of which, Seamless transferred the entire share capital of Worldwide BVI to our Company.
- ***Centralization of our PRC business into the new Cayman group.*** Starting in early 2018, we centralized the PRC business into the newly established Cayman group by assigning business contracts and employees held by Huiju Shanhe, Guangzhou Ruisou and Shenzhen Huirui, three of the core operating entities held under Guangzhou Mobvista, into our Group, held through Mobvista Technology and its subsidiaries. Upon the completion of such assignment, Huiju Shanhe, Guangzhou Ruisou and Shenzhen Huirui ceased to be engaged in the mobile advertising business.

HISTORY AND CORPORATE STRUCTURE

Set out below is the corporate structure of our Group immediately after the Reorganization.



Notes:

 Entities within the Retained Guangzhou Mobvista Group other than our Controlling Shareholders.

- (1) Upon the completion of the Reorganization, Huiju Shanhe, Guangzhou Ruisou and Shenzhen Huirui ceased to be engaged in the mobile advertising business; in particular, each of Huiju Shanhe and Shenzhen Huirui is dormant, and Guangzhou Ruisou is engaged in property leasing business.
- (2) Zuhai Huiliang is engaged in investment holding business.
- (3) Guangzhou Jianda is engaged in property leasing business.
- (4) Guangzhou Huishang is dormant.

Our Company has obtained all relevant approvals required in connection with the Reorganization and has complied with all relevant laws and regulations which are applicable to the Reorganization.

PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisor has confirmed that the equity transfers and the Reorganization in respect of the PRC companies in our Group as described above have been properly and legally completed and all regulatory approvals have been obtained in accordance with PRC laws and regulations.

Pursuant to the Article II of the Circular of the State Council on Further Strengthening Management of Issuance and Listing of Shares Overseas (《國務院關於進一步加強在境外發行股票和上市管理的通知》), or the 97 Red Chip Guidance, as for the overseas Chinese-invested non-listed companies who apply for listing and issuance of their shares abroad with their onshore and offshore assets under which the onshore assets have been invested and owned by the offshore assets over three years, the domestic shareholders of

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such overseas Chinese-invested non-listed companies shall obtain the approval for such overseas listing from the people's government at the provincial level in accordance with administrative jurisdiction or the relevant competent department of the State Council in advance. Based on the structure of the Group, the Company's onshore assets which were invested by the offshore assets have been owned by the same offshore assets over three years. As advised by our PRC Legal Advisor, pursuant to the 97 Red Chip Guidance, the Listing of the Shares of the Company on the Main Board of the Stock Exchange shall be approved by the competent authority at the provincial level based on the administrative jurisdiction of the Company's domestic shareholder (namely Guangzhou Mobvista), being Guangdong Provincial People's Government. In September 2018, Guangdong Provincial People's Government issued an official written confirmation, stamped with its official seal, according to which the Guangdong Provincial People's Government confirmed it has no objection to the listing of the Shares of the Company on the Main Board of the Stock Exchange.

RSU SCHEMES

We adopted the Employee RSU Scheme on September 27, 2018 and amended on November 19, 2018 to incentivize employees and consultants for their contribution to the Group. In October 2018, the Company issued 63,830 Shares (representing approximately 6% of the total issued share capital of our Company as of the date of the adoption of the RSU Scheme) to Mobile Value Discovery Inc., a wholly-owned subsidiary of the Employee RSU Trustee. We adopted the Management RSU Scheme on November 19, 2018 to incentivize directors, senior management, officers and consultants of the Company or its subsidiaries for their contribution to the Group. In November 2018, Mobile Value Discovery Inc. transferred 9,885 Shares to Connected Globe Holdings Limited, a wholly-owned subsidiary of the Management RSU Trustee. Upon completion of the aforementioned transfer, the participants and beneficiaries of the Employee RSU Scheme only include existing employees and consultants of the Company or any of their subsidiaries who are not core connected persons of the Company. As such, Mobile Value Discovery Inc. (BVI) and the Employee RSU Trustee are not core connected persons of the Company under the Listing Rules. See "Statutory and General Information — E. Share Incentive Schemes — 1. RSU Scheme" in Appendix IV to this prospectus.

OUR SUBSIDIARIES

The principal business activities, place of incorporation, date of establishment and date of commencement of business of each member of our Group are shown below:

No.	Name of subsidiaries	Place of incorporation	Date of establishment and commencement of business	Principal activities
1.	Worldwide BVI	BVI	April 13, 2018	Investment holding
2.	MIT HK	Hong Kong	December 15, 2014	Provision of mobile advertising services
3.	Mobvista Technology	PRC	April 2, 2015	Provision of mobile advertising services
4.	Mobworld Technology	PRC	February 6, 2018	Provision of mobile advertising services
5.	Advertter Technology Company Limited	Seychelles	June 24, 2015	Provision of mobile advertising services
6.	Flash Banner Technology Company Limited	Seychelles	June 24, 2015	Provision of mobile advertising services

HISTORY AND CORPORATE STRUCTURE

No.	Name of subsidiaries	Place of incorporation	Date of establishment and commencement of business	Principal activities
7.	Mintegral Limited (formerly known as Pointer Ad Technology Company Limited)	Seychelles	June 24, 2015	Provision of mobile advertising services
8.	Adlogic Technology Pte. Ltd.	Singapore	October 14, 2015	Provision of mobile advertising services
9.	Mintegral International Limited (formerly known as Dime Freak Technology Limited)	Hong Kong	May 24, 2013 ⁽¹⁾	Provision of mobile advertising services
10.	Westcore Technology Limited	Cayman Islands	December 14, 2015	Investment holding
11.	Mobvista-Japan Co., Ltd.	Japan	September 22, 2017	Provision of mobile advertising services
12.	Eurocore B.V.	Netherlands	July 28, 2016	Investment holding
13.	Mobvista (India) Limited Partnership	India	October 10, 2017	Provision of mobile advertising services
14.	USCore, Inc	U.S.	December 28, 2015	Investment holding
15.	Mintegral North America Inc. (formerly known as NX Ads Inc.)	U.S.	October 19, 2017	Provision of mobile advertising services
16.	nativeX, LLC	U.S.	June 9, 2010 ⁽²⁾	Provision of mobile advertising services
17.	Bulletproof Studio LLC	U.S.	October 7, 2014 ⁽²⁾	Provision of mobile advertising services
18.	NX Info LLC	U.S.	October 19, 2017	Provision of mobile advertising services
19.	Game Analytics ApS	Denmark	October 20, 2011 ⁽³⁾	Provision of mobile advertising analysis services
20.	Game Analytics Ltd	England and Wales	September 11, 2014 ⁽³⁾	Provision of mobile advertising analysis services

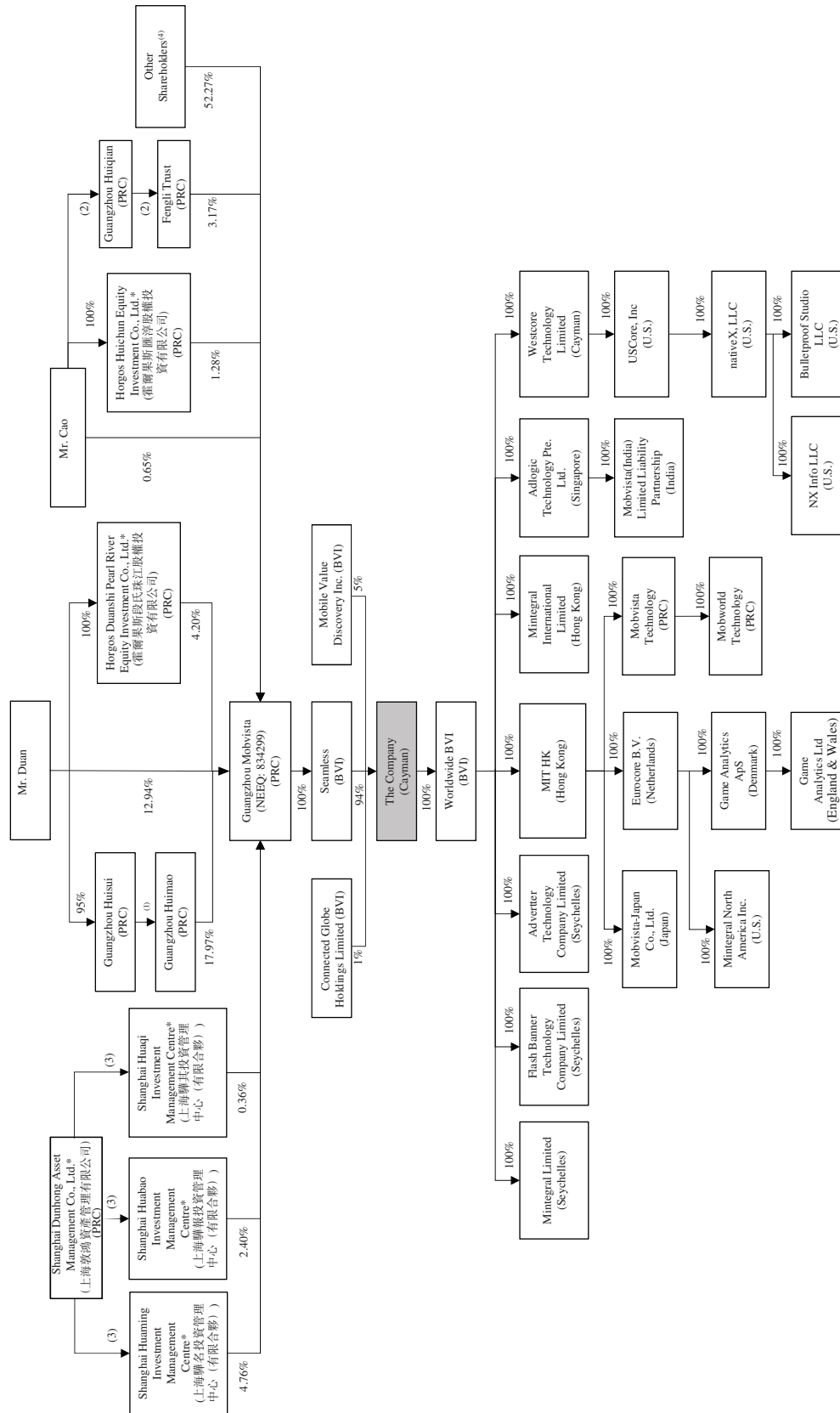
Notes:

- (1) Mintegral International Limited was acquired by us in September 2015. See “— Our Corporate History and Development — Adoption of 2015 Onshore Structure and Listing on the NEEQ” in this section.
- (2) nativeX, LLC was acquired by us in March 2016. Bulletproof Studio LLC is a wholly-owned subsidiary of nativeX, LLC. See “— Our Corporate History and Development — Continued Development of Guangzhou Mobvista Group” in this section.
- (3) Game Analytics ApS was acquired by us in August 2016. Game Analytics Ltd is a wholly-owned subsidiary of Game Analytics ApS. See “— Our Corporate History and Development — Continued Development of Guangzhou Mobvista Group” in this section.

HISTORY AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the Capitalization Issue and the Global Offering.



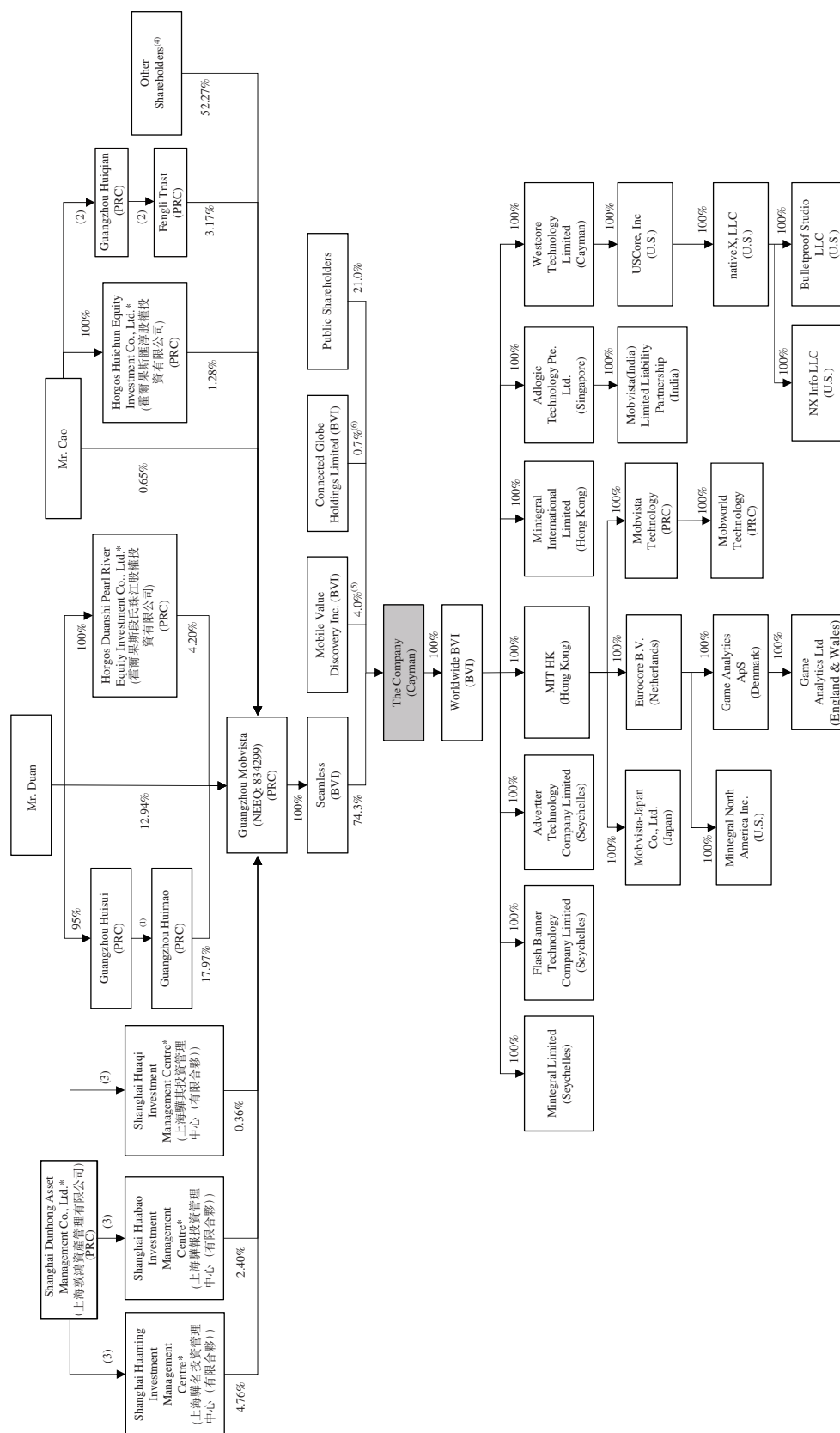
HISTORY AND CORPORATE STRUCTURE

Notes:

- (1) The general partner of Guangzhou Huimao is Guangzhou Huisui (held by Mr. Duan and Mr. Cao as to 95% and 5%, respectively), which held 1% interest in Guangzhou Huimao. The limited partners of Guangzhou Huimao are Horgos Duanshi Pearl River Equity Investment Co., Ltd.* (霍爾果斯段氏珠江股權投資有限公司, a company wholly-owned by Mr. Duan), Horgos Huichun Equity Investment Co., Ltd.* (霍爾果斯匯淳股權投資有限公司, a company wholly-owned by Mr. Cao), Mr. CHEN Qiaofeng, Mr. WANG Ping, Mr. Xi, Mr. Fang and Mr. SONG Xiaofei, holding 52.48%, 33.20%, 4.66%, 2.69%, 2.69%, 2.69% and 0.60% interest in Guangzhou Huimao. Currently the general partner, namely Guangzhou Huisui, holds the entire voting and disposition power in Guangzhou Huimao.
- (2) The trustee and sole beneficiary of Fengli Trust is Guangzhou Huiqian. The general partner of Guangzhou Huiqian is Mr. Cao, who held 1% interest in Guangzhou Huiqian. The limited partners of Guangzhou Huiqian are Mr. Xi, Mr. Fang, Mr. WANG Ping and Horgos Duanshi Pearl River Equity Investment Co., Ltd.* (霍爾果斯段氏珠江股權投資有限公司, a company wholly-owned by Mr. Duan), holding 27.26%, 27.26%, 27.26% and 17.21% interest in Guangzhou Huiqian, respectively. Currently the general partner, namely Mr. Cao, holds the entire voting and disposition power in Guangzhou Huiqian.
- (3) The general partner of each of Shanghai Huaming Investment Management Centre* (上海驊名投資管理中心(有限合夥)), Shanghai Huabao Investment Management Centre* (上海驊報投資管理中心(有限合夥)) and Shanghai Huaqi Investment Management Centre* (上海驊其投資管理中心(有限合夥)) is Shanghai Dunhong Asset Management Co., Ltd.* (上海敦鴻資產管理有限公司), an independent third party.
- (4) Other shareholders holding less than 5% but more than 1% in Guangzhou Mobvista include Shanghai Zhongping Guoyu M&A Equity Investment Fund Partnership (Limited Partnership)* (上海中平國瑀併購股權投資基金合夥企業(有限合夥)), Mr. XIE Yong (謝勇), Ms. SUN Jinyu (孫晉瑜), Mr. Zhong (鍾智勇), Shanghai Culture, Guangzhou Boguan, Mango Cultural & Creative (Shanghai) Equity Investment Fund Partnership (Limited Partnership)* (芒果文創(上海)股權投資基金合夥企業(有限合夥)), Mr. SONG Peiyuan (宋培元), Kashgar Zhuoshi, Guangzhou Yuexiu Nuocheng No.6 Industrial Investment Partnership (Limited Partnership)* (廣州越秀諾成六號實業投資合夥企業(有限合夥)), Mr. Huang, Shanghai Haitong, Shanghai Jinpu Innovative Consumer Equity Investment Fund (Limited Partnership)* (上海金浦創新消費股權投資基金(有限合夥)), Yuandaxin, and Ms. CUI Wenyi (崔文毅), which held 4.88%, 4.35%, 3.87%, 3.19%, 3.00%, 2.90%, 2.82%, 2.45%, 1.94%, 1.81%, 1.75%, 1.34%, 1.08%, 1.07% and 1.00% interest in Guangzhou Mobvista, respectively, as of the Latest Practicable Date. Save as disclosed herein, no other shareholders held more than 1% equity interest in Guangzhou Mobvista as of the Latest Practicable Date.

HISTORY AND CORPORATE STRUCTURE

The following diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme):



HISTORY AND CORPORATE STRUCTURE

Notes:

- (1) The general partner of Guangzhou Huimao is Guangzhou Huisui (held by Mr. Duan and Mr. Cao as to 95% and 5%, respectively), which held 1% interest in Guangzhou Huimao. The limited partners of Guangzhou Huimao are Horgos Duanshi Pearl River Equity Investment Co., Ltd.* (霍爾果斯段氏珠江股權投資有限公司, a company wholly-owned by Mr. Duan), Horgos Huichun Equity Investment Co., Ltd.* (霍爾果斯匯淳股權投資有限公司, a company wholly-owned by Mr. Cao), Mr. CHEN Qiaofeng, Mr. WANG Ping, Mr. Xi, Mr. Fang and Mr. SONG Xiaofei, holding 52.48%, 33.20%, 4.66%, 2.69%, 2.69%, 2.69% and 0.60% interest in Guangzhou Huimao. Currently the general partner, namely Guangzhou Huisui, holds the entire voting and disposition power in Guangzhou Huimao.
- (2) The trustee and sole beneficiary of Fengli Trust is Guangzhou Huiqian. The general partner of Guangzhou Huiqian is Mr. Cao, who held 1% interest in Guangzhou Huiqian. The limited partners of Guangzhou Huiqian are Mr. Xi, Mr. Fang, Mr. WANG Ping and Horgos Duanshi Pearl River Equity Investment Co., Ltd.* (霍爾果斯段氏珠江股權投資有限公司, a company wholly-owned by Mr. Duan), holding 27.26%, 27.26%, 27.26% and 17.21% interest in Guangzhou Huiqian, respectively. Currently the general partner, namely Mr. Cao, holds the entire voting and disposition power in Guangzhou Huiqian.
- (3) The general partner of each of Shanghai Huaming Investment Management Centre* (上海驊名投資管理中心(有限合夥)), Shanghai Huabao Investment Management Centre* (上海驊報投資管理中心(有限合夥)) and Shanghai Huaqi Investment Management Centre* (上海驊其投資管理中心(有限合夥)) is Shanghai Dunhong Asset Management Co., Ltd.* (上海敦鴻資產管理有限公司), an independent third party.
- (4) Other shareholders holding less than 5% but more than 1% in Guangzhou Mobvista include Shanghai Zhongping Guoyu M&A Equity Investment Fund Partnership (Limited Partnership)* (上海中平國瑀併購股權投資基金合夥企業(有限合夥)), Mr. XIE Yong (謝勇), Ms. SUN Jinyu (孫晉瑜), Mr. Zhong (鍾智勇), Shanghai Culture, Guangzhou Boguan, Mango Cultural & Creative (Shanghai) Equity Investment Fund Partnership (Limited Partnership)* (芒果文創(上海)股權投資基金合夥企業(有限合夥)), Mr. SONG Peiyuan (宋培元), Kashgar Zhuoshi, Guangzhou Yuexiu Nuocheng No.6 Industrial Investment Partnership (Limited Partnership)* (廣州越秀諾成六號實業投資合夥企業(有限合夥)), Mr. Huang, Shanghai Haitong, Shanghai Jinpu Innovative Consumer Equity Investment Fund (Limited Partnership)* (上海金浦創新消費股權投資基金(有限合夥)), Yuandaxin, and Ms. CUI Wenyi (崔文毅), which held 4.88%, 4.35%, 3.87%, 3.19%, 3.00%, 2.90%, 2.82%, 2.45%, 1.94%, 1.81%, 1.75%, 1.34%, 1.08%, 1.07% and 1.00% interest in Guangzhou Mobvista, respectively, as of the Latest Practicable Date. Save as disclosed herein, no other shareholders held more than 1% equity interest in Guangzhou Mobvista as of the Latest Practicable Date.
- (5) Mobile Value Discovery Inc. (BVI) is a wholly-owned subsidiary of the Employee RSU Scheme. The participants and beneficiaries of the Employee RSU Scheme only include existing employees and consultants of the Company or any of their subsidiaries who are not core connected persons of the Company. As such, Mobile Value Discovery Inc. (BVI) and the Employee RSU Trustee are not core connected persons of the Company under Listing Rules and the Shares held by Mobile Value Discovery Inc. (BVI) underlying the Employee RSU Scheme are counted towards public float of the Company for the purposes of Rules 8.08 and 8.24 of the Listing Rules.
- (6) Connected Globe Holdings Limited (BVI) is a wholly-owned subsidiary of the Management RSU Scheme. The participants and beneficiaries of the Management RSU Scheme include senior management, directors and officers of the Company or any of their subsidiaries who are core connected persons of the Company. As such, Connected Globe Holdings Limited (BVI) and the Management RSU Trustee are core connected persons of the Company and the Shares held by Connected Globe Holdings Limited (BVI) underlying the Management RSU Scheme will not be counted as part of the public float of the Company for the purposes of the Rules 8.08 and 8.24 of the Listing Rules.

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OVERVIEW

We are a leading technology platform providing mobile advertising and mobile analytics services to the app developers globally. We help app developers better acquire users, monetize their apps and understand the performance of their apps and behavior of their users on our mobile advertising platform and mobile analytics SaaS platform. Our proprietary data technology enabled by our big data AI system serves as the foundation of our service offerings.

We provide user acquisition and monetization services on our mobile advertising platform. App developers who need to acquire users for their apps are our advertisers. We provide these advertisers user acquisition services to conduct cost-efficient mobile advertising campaigns for them across a variety of media and charge them based on advertising performance, helping them acquire new users. App developers who need to monetize their apps through offering mobile ad space in their apps (which we refer to as ad inventories) are our publishers. We provide these publishers monetization services and deliver ads suitable and of interest to their users to fill the ad inventories in their apps. We pay our publishers traffic acquisition fees for purchasing ad inventories to deliver ads for our advertisers. Our publishers connect to our mobile advertising platform either programmatically or non-programmatically. Programmatic advertising is a type of mobile advertising characterized by automatic buying and selling of ad inventories, automatic ad delivery, automatic feedback on ad interaction events and automatic optimization through monetization SDK or API connection. Mintegral SDK is our proprietary monetization SDK for our publishers to integrate into their apps.

We provide mobile analytics services on our mobile analytics SaaS platform. App developers who need to track their apps performance and understand behaviors of their users are our mobile analytics users. Our mobile analytics services are provided as an analytical tool that enables game developers to monitor and analyze various aspects of game player data. We currently provide our mobile analytics services free of charge and for mobile game developers only.

According to the iResearch Report, we ranked:

- among the top ten in the world, the second in Asia and the largest in China in terms of monetization SDK average DAUs in the first half of 2018, and
- the largest third-party advertising platform in terms of providing user acquisition services during the five months ended June 30, 2018 to the top 50 PRC apps by number of overseas downloads in 2017.

Our leading positions are driven by our global business scale and a dynamic ecosystem consisting of our platform, our advertisers, our publishers, our mobile analytics services users and mobile device users. This ecosystem allows us to meet the needs of app developers through the life cycles of their respective apps.

When app developers are our advertisers, we help them launch campaigns to acquire users on three types of media: (i) top media, which we define as major online media publishers, such as Facebook and Google, that offer ad inventories through their proprietary ad platforms; (ii) medium-sized media, which we define as mobile apps that do not have proprietary ad platforms and offer ad inventories through Mintegral, our programmatic advertising platform; and (iii) long-tail media, which we define as (a) ad networks that purchase, aggregate, and resell ad inventories from small traffic sources such as small-sized apps to third-party ad platforms like us with API or manual connection to our platform, and (b) other small-sized media publishers that directly cooperate with us manually.

From our inception to June 30, 2018, we have delivered ads to over 7 billion unique mobile devices cumulatively. The number of our advertisers reached over 600, 1,700, 1,900 and 1,600 in 2015, 2016 and 2017 and in the six months ended June 30, 2018, respectively. From our inception to June 30, 2018, app developers who had direct contractual relationships with us constituted over 96% of our advertisers that we served and the remaining were advertising agencies through which we provided user acquisition services to

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app developers. Our advertisers are mainly PRC developers for apps that target overseas users. During the five months ended June 30, 2018, we have provided user acquisition services for 45 of the top 50 PRC apps by number of overseas downloads in 2017 and over 80% of the top 20 apps by downloads in 2017 in the United States, Japan, Singapore and Indonesia.

When app developers are our publishers, we provide monetization services by connecting them with advertisers on our platform and matching their ad inventories to the suitable types of ads for their users. We provide monetization services for (i) top media that offer ad inventories through their proprietary ad platforms; (ii) medium-sized media who provide ad inventories programmatically by integrating our Mintegral SDK into their apps; and (iii) long-tail media that provide ad inventories programmatically through API or manually. The number of our publishers reached over 1,900, 4,000, 6,000 and 2,900 in 2015, 2016 and 2017 and in the six months ended June 30, 2018, respectively. We first officially tested our Mintegral SDK in 2015 and later officially launched it in 2016. Our Mintegral SDK enables us to acquire meaningful data to train our AI-based model and improve the performance of our services. The cumulative number of apps that had integrated our Mintegral SDK reached 50, 1,000, 3,500 and 5,300 as of December 31, 2015, 2016, 2017 and June 30, 2018. The average DAUs of our Mintegral SDK increased from 15.6 million in 2015 to 72.8 million in 2016 and reached over 240.0 million in 2017. The average DAUs of our Mintegral SDK reached 203.7 million in the six months ended June 30, 2017 and 327.4 million in the six months ended June 30, 2018. In addition, we have a long operating history of managing ad campaigns on long-tail media, which constitutes a meaningful portion of advertisers' marketing budgets. We have established a mature long-tail media network consisting of ad networks and other small-sized media publishers.

We provide our mobile analytics service through GameAnalytics, our mobile analytics SaaS platform. GameAnalytics provides comprehensive game data analytical tools for game developers to optimize the complete life cycle of a game from initial player acquisition to on-going player retention and to player monetization. As of June 30, 2018, over 19,000 game developers in over 130 countries used GameAnalytics to track game data in over 49,000 games by integrating GameAnalytics SDKs cumulatively. GameAnalytics SDK average DAUs reached 19.0 million, 27.0 million, 53.0 million and 75.2 million in the fourth quarter of 2015, 2016 and 2017, and in the second quarter of 2018, respectively. GameAnalytics constitutes an essential part of our ecosystem, providing game developers with a complete and unified platform to acquire, analyze, retain and monetize game players in real time to maximize the game developers' ROI across the entire service stack together with our user acquisition and monetization services. GameAnalytics contributes to our ecosystem by expanding our advertiser and publisher base, contributing game player data to our database and identifying desirable ad viewers for better ad targeting and delivery.

All of our services are empowered by our proprietary data technology and enabled by our big data AI system. Our big data AI system is designed to serve as a central back-end system to store, process and analyze device data through big data and machine learning technologies. Our database consists of information collected from publishers and advertisers and from GameAnalytics, our SaaS mobile analytics platform for game developers. Utilizing such data, our AI model applies tags to each device that we can access to generate profiles on each mobile device, which can help our advertisers and publishers maximize engagement with end users and reach the type of audience suited for their user acquisition and monetization needs. We have developed a machine learning framework that can analyze billions of changing device feature data and implement new model updates every few seconds, thereby adapting on a real-time basis to actual device data to achieve performance optimization. We also have a highly scalable and reliable IT infrastructure built on a microservice, serverless and auto-scaling architecture, which supports and optimizes our operations to allow us to cover ad deliveries more than 200 countries with up to 25 million ad delivery requests per minute with an average response time of approximately 25 milliseconds.

We charge our advertisers for user acquisition services and pay our publishers traffic acquisition costs for placing advertising on their ad inventories. We currently do not charge for our mobile analytics services, but they may become one of our sources of revenues in the future. We derive substantially all of our revenues from the provision of mobile user acquisition services. During the Track Record Period, our total revenues increased from US\$167.2 million in 2015 to US\$313.0 million in 2017, representing a CAGR of 36.8%. Our total revenues were US\$184.5 million in the six months ended June 30, 2018, as compared to US\$172.3

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million in the six months ended June 30, 2017. Our adjusted EBITDA increased from US\$13.9 million in 2015 to US\$35.7 million in 2017, representing a CAGR of 60.5%. Our adjusted EBITDA was US\$15.0 million in the six months ended June 30, 2018, as compared to US\$26.0 million in the six months ended June 30, 2017. Our profit increased from US\$8.7 million in 2015 to US\$27.3 million in 2017, representing a CAGR of 77.1%. Our profit was US\$10.1 million in the six months ended June 30, 2018, as compared to US\$20.2 million in the six months ended June 30, 2017.

OUR STRENGTHS

Leading technology platform for mobile advertising and mobile analytics with global business scale

We are a leading technology platform providing mobile advertising and mobile analytics services to the app developers globally. Our mobile advertising platform reached an average of approximately 133.3 million and 495.3 million unique mobile devices per day in 2016 and 2017, respectively. Our mobile advertising platform reached an average of approximately 409.4 million and 903.6 million unique mobile devices per day in the six months ended June 30, 2017 and 2018, respectively. According to the iResearch Report, we were:

- among the top ten in the world, the second in Asia and the largest in China in terms of monetization SDK average DAUs in the first half of 2018; and
- the largest third-party advertising platform in terms of providing user acquisition services during the five months ended June 30, 2018 to the top 50 PRC apps by number of overseas downloads 2017.

We combine strong local service capabilities with an expansive global footprint to deliver ads to devices in over 200 countries. As a result, we have accumulated a large base of global ecosystem partners. From our inception to June 30, 2018, we had provided user acquisition services to over 2,000 advertisers and delivered ads to over 7 billion unique mobile devices cumulatively. The average DAUs of our Mintegral SDK increased from 15.6 million in 2015 to 72.8 million in 2016 and reached over 240.0 million in 2017. The average DAUs of our Mintegral SDK reached 203.7 million in the six months ended June 30, 2017 and 327.4 million in the six months ended June 30, 2018.

We believe we have achieved the global business scale necessary to continually increase our advertiser base and capture traffic in order to expand our ecosystem and consolidate our leading positions. In addition, our business scale has resulted in a strong flywheel effect—as advertisers more effectively acquire users, they increase their advertising spend on our platform, enabling us to deliver ads to more devices through a larger base of publishers. The increased spend allows publishers to more effectively achieve monetization and contribute more traffic and data to our platform, which in turn facilitates more effective user acquisition. The continuous development and interaction of both the user acquisition and monetization sides of our ecosystem provides us with additional data and insight to train our AI models to improve their accuracy and performance, thereby increasing the effectiveness of our services and contributing to the sustainability of our growth.

Outstanding programmatic advertising capabilities

Programmatic advertising has been our strategic focus since 2016, and we have established a full stack programmatic service servicing app developers as both advertisers and publishers. We believe that this focus on technology-enabled advertising will allow us to connect advertisers and publishers effectively and cost-efficiently. Along with the growth and development of the mobile advertising industry, programmatic advertising, or automatic transactions of ad inventories and delivery of ads through the use of technology, has become increasingly prevalent as an effective means of transacting mobile advertising. In particular, the rapid increase in the number of mobile apps globally has resulted in a fragmented advertiser and publisher market that requires automation to direct ad traffic and eliminate inefficiencies. We believe we are well-positioned to capture the growing opportunities in the programmatic marketing sector.

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Our programmatic offerings covers (i) medium-sized media on Mintegral, our proprietary AI-driven platform connecting advertisers and publishers, and (ii) top media and long-tail media through API. We have reached our current business scale through consolidating fragmented advertising supply and demand and accumulating technology know-how for operating a programmatic advertising platform.

Mintegral is an essential part of our programmatic advertising offerings. Mintegral directly connects advertisers and publishers through its easily-integrated SDK and eliminates inefficiencies brought by industry intermediaries. In addition, as a data-enabled platform, Mintegral helps (i) advertisers better assess the effectiveness of their user acquisition efforts through data insights, and (ii) publishers find the right ads for their users. Furthermore, the Mintegral SDK allows us to collect a wide variety of in-depth data from media publishers that integrate it, which serves as meaningful data input to train our AI model and improve the performance of our profiling and targeting.

As of June 30, 2018, over 5,300 apps developed by over 700 developers globally had integrated our Mintegral SDK cumulatively. Over 420 publishers used our programmatic advertising through API connection to our internal ad campaign management system in the six months ended June 30, 2018. The average DAUs of our Mintegral SDK increased from 15.6 million in 2015 to 72.8 million in 2016 and reached over 240.0 million in 2017. The average DAUs of our Mintegral SDK reached 203.7 million in the six months ended June 30, 2017 and 327.4 million in the six months ended June 30, 2018. Our revenues from programmatic advertising increased from US\$11.7 million in 2015 to US\$114.4 million in 2017, representing a CAGR of 212.8%. Our revenues from programmatic advertising increased from US\$62.2 million in the six months ended June 30, 2017 to US\$88.2 million in the six months ended June 30, 2018. Revenues from programmatic advertising as a percentage of our total revenues increased from 7.4% in 2015 to 36.7% in 2017 and from 36.3% in the six months ended June 30, 2017 to 47.8% in the six months ended June 30, 2018 as the result of our strategic focus in this area.

Robust big data and outstanding AI capabilities

Our robust big data and AI capabilities allow us to achieve better performance for our advertisers' ads and greater monetization efficiency for our publishers, and provide effective mobile analytics services.

Our big data capabilities begin with our ability to collect data from a variety of sources, including (i) proprietary data such as device-specific information and tracked data through the ad delivery process, as well as in-depth behavioral data on game players (such as in-game behaviors and virtual item purchasing habits), and (ii) data voluntarily provided by advertisers and publishers such as post-ad interaction events (including registrations and account actions). We cleanse raw data into more valid, meaningful and structured data to train our AI models, which can be applied to various aspects of our business. Our system collected and analyzed data from approximately 409.4 million and 903.6 million unique mobile devices per day in the six months ended June 30, 2017 and 2018, respectively.

Our AI model applies tags to each device to which we have access and can currently apply over 700 types of tags in over 39 categories. These tags have allowed us to generate profiles on each mobile device, which contain the devices' historical activities as well as preferences and interests of the users. These profiles help our advertisers and publishers maximize engagement with end users and reach the type of audience best suited for their user acquisition and monetization needs. For example, if a device has recently been tracked by our mobile analytics as having made a purchase in an e-commerce app, our AI model will detect this from its data input and recognize the device as a "purchaser," which will make it more likely to be targeted.

We have invested significantly in developing a machine learning framework. Due to the massive amount of data processed by our AI models, we believe the best way to react to new data in real time is through machine learning that uses stream computation to constantly evolve and self-improve by testing itself. Our online system is able to continually analyze billions of changing features and implement new model updates every few seconds. Consequently, we can monitor actual device data and ad performance on a real-time basis and adapt timely and rapidly to achieve performance improvements in contrast to other AI models that may take days or weeks to update to the next iteration.

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We have established an AI center and assembled a dedicated big data and AI technology team with experienced AI experts that are critical for creating the AI algorithms for our machine learning applications. Our AI technology team led by Dr. Yadong Zhu, vice-president for data science, who previously worked at Alibaba. Dr. Zhu was involved in the design of the full chain optimization of the mobile Taobao recommendation system based on reinforcement learning, which was chosen by MIT Technology Review as one of the ten breakthrough technologies in 2017.

Proprietary mobile analytics SaaS platform

We have a strong, proprietary mobile analytics SaaS platform, GameAnalytics, currently providing comprehensive game data analytical tools for game developers. We acquired GameAnalytics in 2016 to explore new and more in-depth types of collaboration with game developers. With access to proprietary data throughout a game player's life cycle post-installation across tens of thousands of games, GameAnalytics can identify and segment game players based on spending habits interests and other factors that can subsequently be used in various ways to optimize multiple aspects of a game, including user acquisition budgets, ad monetization and game design and economy.

GameAnalytics has reached over 500 million unique mobile devices cumulatively worldwide in 2017. Furthermore, analytics is typically the first third-party service for game developers to implement, usually before official game launch, which strengthens GameAnalytics's ability to influence decision-making on what other services to implement, including advertising monetization and user acquisition attribution. As of June 30, 2018, over 19,000 game developers in over 130 countries used GameAnalytics to track game player data in their games by integrating the GameAnalytics SDKs covering more than 49,000 games cumulatively. GameAnalytics SDK average DAUs reached over 19.0 million, 27.0 million, 53.0 million and 75.2 million in the fourth quarter of 2015, 2016 and 2017, and in the second quarter of 2018, respectively. GameAnalytics SDK average DAUs increased from 32.0 million in the six months ended June 30, 2017 to 70.2 million in the six months ended June 30, 2018.

Finally, we believe that GameAnalytics has strong synergies with our mobile advertising services. For example, it can contribute game data to our database to segment game player audiences for more relevant and effective monetization. Ultimately, our goal is to ensure that all our vertical services, Mintegral and GameAnalytics are enabled to work efficiently along each other through various integrations, which combined will provide app developers with a unique, complete, and well-integrated series of services to support acquiring, analyzing, retaining and monetizing users in real time to maximize game developers' ROI across the entire service stack.

Extensive global footprint with strong local service capabilities

We utilize a "Glocal" operating model that combines strong local service capabilities with expansive global footprint. We started our business by capturing the opportunities arising from the wave of PRC mobile Internet companies expanding globally, and have served many leading PRC companies in meeting their overseas user acquisition and monetization demands since their early expansion stages. The extensive global expertise that we gained has also allowed us to serve international companies in both their local and global expansion.

As of June 30, 2018, we had 12 offices globally serving companies with ad delivery coverage in over 200 countries. Our revenues from advertisers headquartered outside Greater China totaled US\$36.2 million in 2015, US\$132.3 million in 2016, US\$172.0 million in 2017 and US\$65.9 million in the six months ended June 30, 2018, representing 22.9%, 49.4%, 55.1% and 35.7% of our total mobile advertising services revenues, respectively, during those periods. According to the iResearch Report, we were a leading third-party mobile advertising platform in terms of providing user acquisition services during the five months ended June 30, 2018 to the top 20 apps by downloads in 2017 in the United States, Japan, South Korea, Singapore, Indonesia and Thailand.

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We are committed to satisfying the diverse needs of advertisers and publishers globally, across regions and locales, by leveraging the cross-jurisdictional know-how embedded in our “Glocal” operating model to deliver localized services and strengthen our local market presence. In addition, our in-depth understanding of how to run a “Glocal” business creates efficiencies across settlement, foreign exchange, compliance and tax matters, both within individual local markets and collectively across multiple markets and jurisdictions, makes our global operations more agile and smarter, reduces our operating risks and strengthens our value to participants in our ecosystem. We also have strategic cooperation relationships with a number of international partners, including leading international and domestic banks who provide us with support for international settlement and credit facilities. At the same time, we have adopted a flat management structure and our offices around the world operate as an integrated team through our internal systems, which enhances the efficiency of our global collaboration, achieves service standardization and strengthens our ability to expand globally.

We actively seek strategic investment opportunities abroad in order to expand our “Glocal” model. We acquired nativeX, LLC, a native advertising technology company founded in the United States, in order to strengthen our ability to provide native ad format and video ad technologies to app developers, as well as our market presence in the United States. Similarly, we acquired Game Analytics ApS, a game mobile analytics services company founded in Denmark, to further enhance our strength in game data processing and analysis, as well as our market presence in Europe.

Leading technology capabilities with highly scalable and reliable IT infrastructure

Our highly scalable and reliable IT infrastructure supports and optimizes our operations. Our system is built on a microservice, serverless and auto-scaling architecture, which is both highly scalable and reliable. Our IT infrastructure is able to cover more than 200 countries with up to 25 million ad delivery requests per minute with an average response time of approximately 25 milliseconds.

We use a microservice architecture whereby each part of our business, such as our Mintegral advertiser and publisher-side platforms, and our long-tail media service, is operated by independent and standardized service modules. This architecture enables us to react to new business needs by adding new service modules quickly. We can also fine-tune each service module and integrate common functions into separate modules to keep our architecture concise, which enhances the efficiency and flexibility of our system and reduces our maintenance costs.

In addition, we utilize an all-in-cloud architecture whereby we work with Amazon Web Services as our cloud computing service provider. We have an auto-scaling feature that enables us to dynamically manage our server costs in line with fluctuating advertising traffic. We have multiple layers of security measures and our systems infrastructure is hosted at data centers at multiple locations in China and overseas. The disaster recovery and network security capabilities enhance our system stability.

Our technology team is currently led by two vice-presidents for technology, Mr. WU Feng and Mr. CAI Chao. Mr. Wu served at Baidu in its research and development department and at AutoNavi, a leading mapping, navigation and location-based services provider. Mr. Cai served as chief architect at Amazon China and HP China. Mr. Cai is also a certified expert by Sun, IBM and Microsoft, and has 15 years of software development experience. We had a research and development team of 285 full-time employees as of June 30, 2018, constituting approximately 49.1% of our employees, most of whom have prior experience at leading Internet and technology companies. In 2015, 2016, 2017 and the six months ended June 30, 2018, we incurred research and development expenses of US\$2.3 million, US\$7.4 million, US\$18.9 million and US\$12.2 million, respectively.

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Sizable and diverse advertiser and publisher base

We have rapidly grown our advertiser base, and our ecosystem now includes a sizeable global base of app developers as advertisers. Our advertiser base is driven by top apps and benefits from stability, diversification and balance:

- *Diverse advertiser base by geographic and app type.* Our advertiser base is diversified and balanced geographically, which we believe provides for more sustainable growth. As of June 30, 2018, advertisers that we had served covered over 60 countries and regions, and provided us with relatively geographically diverse revenues. Our advertisers also include a variety of app developers, including developers of mobile games, utility, content, social, e-commerce, lifestyle and other types of apps.
- *Retention.* Advertisers that are developers of top apps have contributed a large portion to our revenues, and we have achieved a high retention rate for such developers. In 2015, our top 200 app advertisers contributed 98.7% of our advertising revenues, and 85.5% of them were still our advertisers in 2016, contributing 56.8% of our advertising revenues. Similarly, in 2016, our top 200 app advertisers contributed 88.6% of our advertising revenues, and 85.0% of them remained our advertisers in 2017, contributing 66.9% of our advertising revenues.
- *Direct relationships.* The majority of our advertisers are direct advertisers, which further enhances our ability to provide our monetization and mobile analytics services to them once they are entrenched in our ecosystem. From our inception to June 30, 2018, app developers who had direct contractual relationship with us constituted over 96% of our advertisers and the remaining were advertising agencies through which we provided user acquisition services to app developers.

We maintain high quality, multi-tier coverage of media across top media, medium-sized media and long-tail media. Our media coverage enables us to offer one-stop cross-media user acquisition services for advertising campaigns, and enables our advertisers to manage their advertising budgets and optimize the performance of their ad delivery.

Furthermore, an increasing number of app developers use both our user acquisition and monetization services. For example, 31 of the top 50 PRC apps by number of overseas downloads in 2017 during the five months ended June 30, 2018 had used both our user acquisition and monetization services through Mintegral SDK integration.

Visionary and experienced management team with international backgrounds

Our visionary management team possesses extensive experience in the advertising, technology and mobile Internet industries and international backgrounds, leading us to innovate and respond expediently to industry trends. Our management team also possesses experience in public company management and outstanding operating and execution expertise, which have enabled us to succeed in our acquisitions of nativeX, LLC and Game Analytics ApS.

Mr. DUAN Wei, Our chairman, CEO and one of the co-founders of our Group, has over ten year of experience in the advertising, technology and mobile Internet industries, having previously served at Huawei and Guangzhou Dongjing Computer Technology Co. Ltd. (廣州動景計算機科技有限公司) (which owns www.uc.cn and software copyright of UC Browser). Mr. CAO Xiaohuan, our president and one of the co-founders of our Group, has over eight years of experience in the financial, advertising, and mobile Internet industries, and previously served as an investment director at Oriza Yuandian, an equity investment platform of Oriza Holdings. Other members of our management team have prior experience at leading technology companies such as Alibaba, Huawei, Baidu, and Amazon. In addition, the majority of the senior management team of Game Analytics ApS remained after our acquisition, which further enhanced our management capabilities.

BUSINESS

Our management team capitalized on the global expansion boom of PRC app developers by meeting their user acquisition and monetization demands and successfully implemented our “Glocal” model in response to the trends of mobile Internet development in the past five years, which enables us to become a leading technology platform for mobile advertising and mobile analytics. We believe that our management team will continue to lead us to innovate, excel and succeed as a leading international company in the future.

OUR STRATEGIES

Continue to implement our “Glocal” operating model by enhancing our local service capabilities and expanding our global footprint

We will continue to implement our “Glocal” strategy by enhancing our local service capabilities in each region where we operate, while expanding our global coverage to increase the scope and depth of our global cooperation with app developers. We believe that the increasing demand for globalization from technology companies and app developers in China and other emerging markets will continue to be a significant driver of our future business growth. We also expect our business growth will be increasingly driven by overseas app developers and we will seek to enhance our overseas local service capabilities to strengthen our overseas market presence in key local markets. We will further explore cross-region opportunities as the regional and global competition among technology companies and app developers intensifies and the demand for user acquisition, monetization and mobile analytics escalates.

Expand the scale and scope of our business with app developers

We will further expand the scale and scope of our business with advertisers and publishers and strengthen our ecosystem. For the monetization side, we plan to further explore new ad inventory categories beyond in-app inventory and strengthen our cooperation with website operators, device integrators and telecommunication operators to diversify our mobile advertising platform. We will also explore new media channels for ad delivery and continue to optimize and improve the performance and the developers’ ROI of advertising campaigns. For the user acquisition side, in addition to marketing for apps, we plan to expand the scope of our services to better meet the marketing demands of e-commerce products and financial services, as well as brand advertising. We plan to explore technologies for new forms of ads such as augmented reality and mini-app marketing, and diversify the monetization channels of the ad inventories on our platform. We also aim to strengthen our ability to provide programmatic advertising services and reach more advertisers and publishers, including increasing and optimizing workflow automation and making our platform more smart and efficient. Finally, we plan to develop new mobile analytics services built on our big data and AI capabilities.

Explore opportunities for our mobile analytics SaaS platform

We currently offer our mobile analytics services on GameAnalytics free of charge. We expect that future services provided through GameAnalytics will become one of our sources of revenues. Specifically, we plan to develop GameAnalytics in the following aspects: (i) we plan to establish an enterprise SaaS platform to provide predictive analytics services based on the proprietary dataset of GameAnalytics and charge users monthly subscription fees; (ii) we plan to establish a data exchange to share the non-sensitive information from the proprietary dataset of GameAnalytics after conducting data masking procedures and charge users on the number of data access; (iii) we plan to integrate a third-party ad mediation function into GameAnalytics SDK and share advertising revenues from other third-party advertising platforms; and (iv) we plan to provide one-stop operation services with an Asian market focus through GameAnalytics for overseas indie casual game developers in combination of our mobile user acquisition services and monetization services and share our gross profit from one-stop operation services revenues with such developers.

BUSINESS

Continue to strengthen our data and technology advantages

We will continue to strengthen our data and technology advantages in the mobile advertising and mobile analytics industries. We will invest more in our programmatic advertising technology capabilities to better serve advertisers and publishers. We aim to further strengthen our research and development in big data AI technologies, expand the application of AI algorithms in our services. We will also continue to strengthen our parallel computing capabilities, optimize our system architecture and reduce our operating costs for IT infrastructure.

Attract, retain and develop exceptional employees

Since our inception, we have devoted and will continue to devote substantial efforts to establish a talented employee base in areas such as big data and AI. We strive to maintain an exciting and supportive atmosphere that attracts great talent and inspires our employees to excel. We believe that a versatile and experienced management team and employees will provide us with significant advantages in the rapidly evolving market in which we compete and continue to drive our innovation and growth.

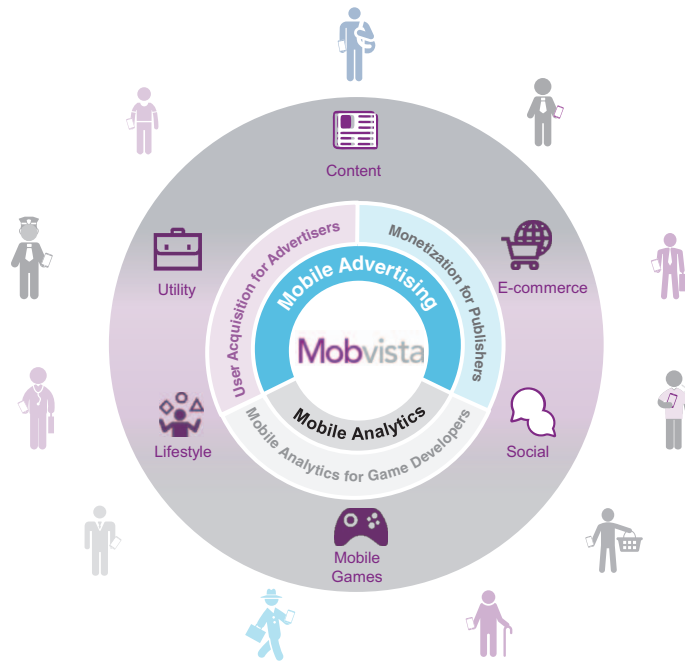
Integrate industry resources through strategic investments and mergers and acquisitions

In addition to growing our business organically, we continue to pursue strategic investment and merger and acquisition opportunities that will help strengthen and scale our operations and enhance our business reputation. We aim to target companies that have competitive strengths in technology, data and other areas to further strengthen our competitive position in the mobile advertising and mobile analytics industries.

OUR BUSINESS MODEL

We provide mobile user acquisition services to our advertisers and monetization services to our publishers on our mobile advertising platform. We charge advertisers for our user acquisition services based on performance, primarily measured by CPI, or cost per install (based on the number of new installations as a result of the publishers' users clicking the ads and downloading and installing the apps). We pay our publishers traffic acquisition fees for placing ads on their ad inventories. We derived substantially all of our revenues from providing user acquisition services to advertisers during the Track Record Period. We do not charge publishers for our monetization services. We provide mobile analytics services to game developers on our mobile analytics SaaS platform. Although we currently do not charge for our mobile analytics services, they may become one of our sources of revenues in the future.

OUR ECOSYSTEM



Note: Icons inside the circle, including content, utility, lifestyle, mobile games, social and e-commerce, represent various types of apps that act as our advertisers or publishers. Icons of figures outside the circle represent users of various types of apps installed on mobile devices.

At the center of our business model is a dynamic ecosystem that is formed by app developers, who are our advertisers, publishers and mobile analytics service users, and mobile device users connected through our mobile advertising and mobile analytics SaaS platforms. Mobile device users are both: (i) existing users of developers using our services, and (ii) advertiser audience and potential new users. App developers may have multiple roles as advertisers, publishers and mobile analytics service users at the same time. An app developer may be an advertiser in the early stage of its life cycle to acquire new users. When such app developer has established its user base, it may also become a publisher to sell ad inventory to other app developers. Throughout the app's life cycle, the app developer may also need analytical tools that help it monitor and analyze user behaviors and improve the app. Our ecosystem enables us to meet the needs of various types of app developers globally as they evolve through the life cycle of their respective apps for user acquisition, monetization and mobile analytics.

Our Value Proposition to Ecosystem Participants

Our advertisers are app developers who need to acquire users for their apps. We provide our advertisers user acquisition services to help them acquire new users through cross-media cost-efficient mobile advertising campaigns. Without effective mobile advertising campaigns, their apps may not be seen by potential users due to the limited exposure in the app stores.

BUSINESS

Our publishers are app developers who need to monetize their apps through offering mobile ad inventories in their apps. We deliver suitable types of ads to their users through available ad space in their apps, which we refer to as ad inventories. One characteristic of the mobile advertising industry is that ad inventories are produced each time the user accesses the app, and such ad inventories need to be offered to advertisers instantaneously in order to present ads to users, or otherwise they will be forfeited. We believe that our monetization services are crucial to helping our publishers achieve better monetization results.

Our mobile analytics users are game developers who need to understand the performance of their games and behaviors of their users. Our mobile analytics services are provided as an analytical tool that enables game developers to monitor and analyze various aspects of game player data.

As our services cover the app developers' needs for user acquisition, monetization and mobile analytics throughout the life cycle of their respective apps, app developers may have multiple roles on our platform at the same time. An increasing number of app developers use more than one type of our services. Our advertisers are mainly PRC developers for apps that target overseas users. For example, 31 of the top 50 PRC apps by number of overseas downloads in 2017 have used both our user acquisition and monetization services through Mintegral SDK integration during the five months ended June 30, 2018. Certain developers even use all three types of our services at the same time, such as Voodoo, a global casual game publisher. We first established our business relationship with Voodoo through providing mobile analytics services on GameAnalytics for Voodoo's games, which we believe enables us to maintain a close connection with the developers. We further expanded our cooperation with Voodoo and started to provide user acquisition and monetization services for Voodoo's games, resulting in an increasing number of games published by Voodoo using all three types of our services.

Although we derived substantially all of our revenues from the provision of user acquisition services to advertisers during the Track Record Period, our monetization and mobile analytics services are critical to our ecosystem and its continued growth. Our monetization services allow us to continuously collect and analyze massive amounts of device data, which enables us to provide more customized services for our advertisers, improve the monetization efficiency for our publishers and enhance our mobile analytics services through our big data and AI capabilities. Our mobile analytics SaaS platform contributes to our mobile advertising platform by expanding our publisher and advertiser base and contributing game data to our database to segment game player audiences for more relevant and effective advertising.

BUSINESS

Categories of Mobile Media Publishers

Our mobile advertising platform connects advertisers and publishers across a variety of media, namely:

- *Top media*, which we define as major online media publishers such as Facebook and Google that offer ad inventories through their proprietary ad platforms. We connect with top media through (i) our internal ad campaign management system programmatically through their API or (ii) purchasing traffic from them through media buy, an approach whereby we purchase ad inventories on behalf of our advertisers through their respective accounts in top media's proprietary ad platform manually. We typically use CPM, and to a lesser extent, CPC as the pricing model for paying our top media publisher;
- *Medium-sized media*, which we define as mobile apps without their own proprietary ad platforms and connect to our platform programmatically. Medium-sized media typically are apps with established numbers of active users and life cycles that have not reached platform-level popularity. Medium-sized media connects to our Mintegral platform programmatically primarily through (i) our Mintegral SDK, which allows them to offer programmatic ad inventories and deliver ads automatically on their apps, and (ii) to a lesser extent, API. We typically use CPI as the pricing model for paying our medium-sized publishers. We also use CPM for a small portion of our medium-sized media publishers in combination with CPI; and
- *Long-tail media*, which we define as media who are either (i) ad networks that acts as a third-party intermediary to purchase, aggregate and resell ad inventories from small traffic sources such as small-sized apps to third-party ad platforms like us, or (ii) other small-sized media publishers that directly cooperate with us. Ad networks connect to our ad campaign management system programmatically through API or manually. Other small-sized media publishers that directly cooperate with us through manual approach. We typically use CPI as the pricing model for paying our long-tail media publishers.

Programmatic and Non-Programmatic Advertising

Our publishers connect to our mobile advertising platform either programmatically or non-programmatically. The use of programmatic (specifically, Mintegral SDK or API) or non-programmatic approach depends on the technical sophistication of and is at the discretion of each specific publisher. We typically prefer to use a programmatic approach to connect with publishers due to its increased efficiency and effectiveness. However, the allocation of advertising budgets on programmatic advertising and non-programmatic advertising in different campaigns varies depending on specific campaign goals requested by advertisers. If advertisers do not have specific requirements, we typically prefer to allocate advertising budgets to programmatic advertising. We believe our strong cross-media campaign management expertise and wide coverage of top media and long-tail media are important factors that our advertisers choose us to conduct non-programmatic advertising campaigns.

The following table sets forth a breakdown of our mobile advertising revenues by purchasing model for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Programmatic.	11,687	7.4	79,976	29.9	114,376	36.7	62,211	36.3	88,234	47.8
Non-programmatic	146,566	92.6	187,616	70.1	197,668	63.3	109,294	63.7	96,185	52.2
Total	158,253	100.0	267,592	100.0	312,044	100.0	171,506	100.0	184,419	100.0

Programmatic Advertising

Programmatic advertising is a type of mobile advertising characterized by automatic buying and selling of ad inventories, automatic ad delivery, automatic feedback on ad interaction events and automatic optimization through SDK or API connection, which can achieve higher campaign efficiency and better targeting through the use of technology. Programmatic advertising on our mobile advertising platform is achieved primarily through Mintegral, our AI-driven integrated proprietary platform for programmatic mobile user acquisition and monetization. The demand side of Mintegral allows advertisers to purchase ad inventories offered by publishers through the supply side platform of Mintegral, as well as through third-party ad platforms. The supply side of Mintegral allows primarily medium-sized media publishers to connect with advertising demand on both our platform and third-party ad platforms, including ad exchanges.

In addition to Mintegral, programmatic advertising on our mobile advertising platform is also achieved through API connection to our internal ad campaign management systems with top media and long-tail media. The typical process of conducting programmatic advertising campaigns on top and long-tail media is as follows: (i) our ad campaign management system transmits ad creatives and campaign parameters to top and long-tail media through API; (ii) top and long-tail media deliver ads to mobile device users based on such campaign parameters and transmit feedback on ad interaction events results to our system through API; and (iii) our ad campaign management system continue to optimize ad creatives and campaign parameters and adjust targeted media based on ad interaction events.

In programmatic advertising, the buying and selling of ad inventories, ad delivery, feedback on ad interaction events and optimization of advertising campaigns are achieved automatically through programs. A typical programmatic advertising process includes: (i) the component showing ads on the publisher's app sends an ad request to our mobile advertising platform; (ii) our platform determines whether to purchase the ad inventory and select and deliver the ad that has the highest predicted click-through rate or conversion rate among a group of our advertisers' ads based on our big data AI system's analysis of the mobile device profile of the user and the app; (iii) the publisher's app sends us feedback on the user's ad interaction events, such as whether the user has clicked the ads, through our Mintegral SDK or API; and (iv) our platform continuously optimizes the campaign performance with the help of our big data AI system.

Both Mintegral SDK and API are programmatic approaches for publishers to connect to our mobile advertising platform to achieve programmatic advertising functions. Only medium-sized media publishers connect to our platform through Mintegral SDK integration, while the API connection approach may be used by all types of media. Long-tail media typically choose to cooperate us through API and manually, as SDK integration requires developers to have more technical capability and spend more time for coding, debugging and testing for connection with our system. As top media operate their own proprietary advertising platforms, they offer ad inventories directly in their system or cooperate us through API, whereby they can have more control over the programmatic advertising process.

Specifically, the Mintegral SDK and API connection approaches differ in several aspects. Our Mintegral SDK is a set of programming codes solely developed by us for app developers to integrate into their own app codes to achieve programmatic advertising functions such as automatic ad delivery and feedback on ad interaction events. By contrast, API is a common interface implemented separately in the publishers' app codes by the publishers and in our advertising platform system by us for the purposes of exchanging data to achieve automatic ad delivery and data feedback. Therefore, compared to API connection, SDK integration provides us with full control over the whole programmatic advertising process. Specifically, the major differences between our Mintegral SDK and API include: (i) in the case of Mintegral SDK, we have full control to present ads to users on the publishers' apps in the sequence based on our prediction of click-through rates and conversion rates; (ii) our Mintegral SDK can collect more types of data than API, such as data about the user's device environment information and publisher-related data such as the name, type and developer of the publisher's app and impression data; and (iii) our Mintegral SDK can pre-integrate our proprietary advanced ad creative rendering technologies and support highly customized and complex ad creatives and formats.

BUSINESS

The average DAUs of our Mintegral SDK reached 327.4 million in the six months ended June 30, 2018, and as of June 30, 2018, we had over 420 API connected publishers. For the six months ended June 30, 2018, revenue generated from Mintegral SDK and API accounted for 42.8% and 57.2%, respectively of our total programmatic advertising revenue in the same period.

Non-Programmatic Advertising

Non-programmatic advertising on our mobile advertising platforms is achieved through: (i) purchasing ad inventory from top media through the media buy approach, whereby we optimize and purchase ad inventories on behalf of our advertisers through their accounts in the system of the top media's proprietary ad platforms and (ii) purchasing ad inventory for our advertisers from long-tail media manually.

For non-programmatic advertising campaigns on top media, we set campaign parameters such as targeted audience demographics, device, geographic regions and user preference, and continuously monitor and manage campaigns in top media's proprietary ad platforms by using our advertisers' accounts on their behalf. With our campaign management expertise, we can manage cross-media in multiple top media and combine with campaigns on other types of media.

For non-programmatic advertising campaigns on long-tail media, we will allocate advertising budgets to different long-tail media based on their historic data such as user preference, traffic amount and conversion rate. We determine the specific long-tail media channels based on our campaign management expertise according to our advertisers' requirements for the advertising campaign. We send our offer for ad inventories to long-tail media by email and negotiate with their relevant representatives to determine the price for purchasing ad inventories. We typically create unique web links for each campaign activity on long-tail media for them to embed in their app and we track ad interaction, which takes place when users click such links and are redirected to ad contents. We will send the ad creatives and the unique web link by email or through our service portal for long-tail media for them to retrieve manually.

We continuously monitor campaign performance and adjust the budget allocation to optimize campaign performance. We believe our strong cross-media campaign management expertise and wide coverage of top media and long-tail media are important factors our advertiser choose us for conducting non-programmatic advertising campaigns.

Ad Formats and Ad Creatives on Our Platform

We have innovated and continue to innovate ad formats and ad creatives to increase their effectiveness for our advertisers. Ad formats are the presentation framework of ads on apps. Ad creative is the specific rendering of ad content.

Ad Formats

Ads on our platform can be delivered in different formats. Ad formats can be divided into customizable formats and general use formats depending on the level of customization.

Our customizable formats are highly customized and integrated with apps. Customizable formats can be divided into non-native formats and native formats, depending on the level of integration with app content.

Our non-native customizable formats include the following:

- *App wall*, typically shown as a lineup of app offerings and primarily used in utility apps or app stores.

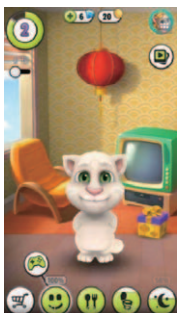


App Wall

BUSINESS

- *Reward format or reward video*, typically shown as a video or other interactive creatives that mobile device users can view or interact with to exchange for in-app rewards for the app where the ad is shown. On our platform, reward format or reward video are typically shown in games and in-app rewards are in the form of virtual items or other resources for the game where the ad is shown.

Step 1



When the mobile device has WiFi connection, a gift box (located next to the television in the screenshot) will appear at the main screen of the game for players to touch to exchange for in-game resource by watching a reward video.

Step 2



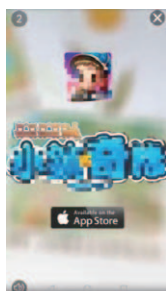
A game dialog box will be shown in the publisher's game, where player has the option to exchange for in-game resource by watching a reward video if the player touch the button.

Step 3



A reward video about the advertiser's app will be shown if the player chooses to exchange for in-game resources by watching a reward video.

Step 4



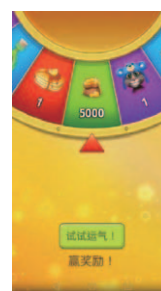
An endcard about the advertiser's app will be shown with a button at the bottom for the player to download the advertiser's app and a close button at the top-right corner to close the endcard.

Step 5 (optional)



If the player chooses to touch the download button, the app store download page for the advertiser's app will be shown. The player can also close by touching the close button at the top-right corner.

Step 6



After returning to the publisher's game, the player can exchange for in-game resource through a virtual lucky wheel.

Illustration of Typical Process of Reward Format/Video in a Game App

Our native customizable formats are customized and integrated deeply within the context of the app. Native ads are typically used in content, e-commerce, social and utility apps on our platform. Some of these formats can be integrated seamlessly in the information stream of an app or consistent with the components of the app user interface, rather than as independent components of the app user interface, and we categorize such formats as native information stream ads. The screenshots below illustrate how a native information stream ad integrates seamless in the information stream of a social app.

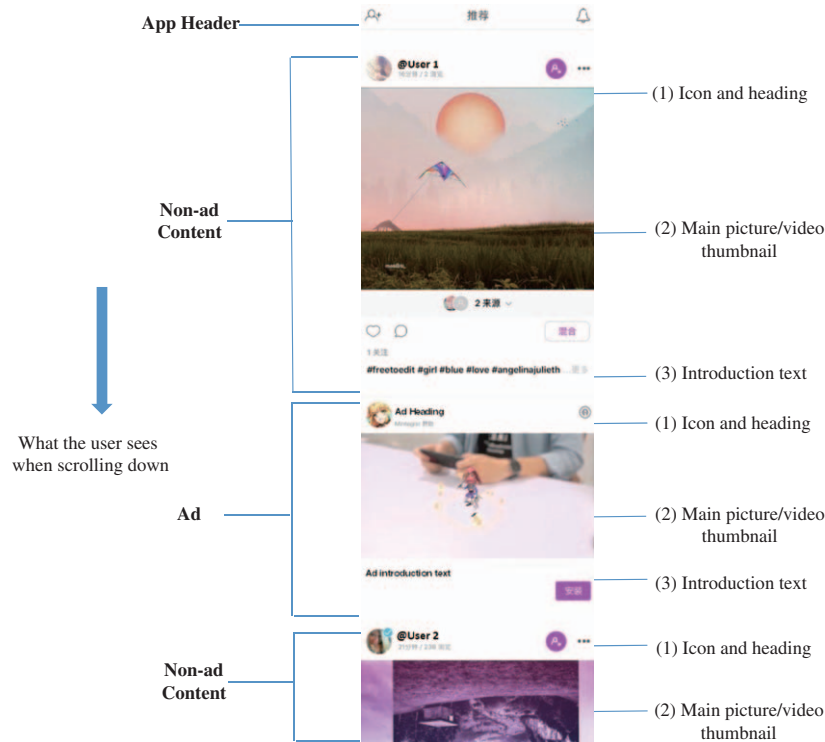


Illustration of Native Ad Integration

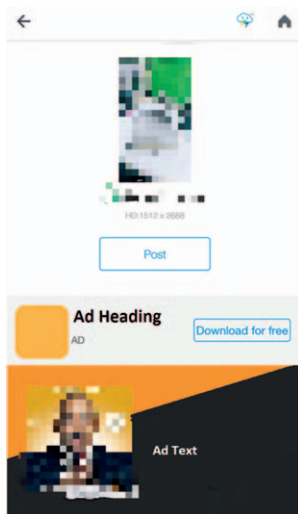
Our general use formats can be used in substantially all types of apps on our platform and include the following:

- *Banners*, in the form of a rectangular image on the top or bottom of the screen;
- *Interstitials*, in the form of an image or a video in a pop-up dialog; and
- *Splash screens*, typically shown upon launch of an app as a full-screen image.

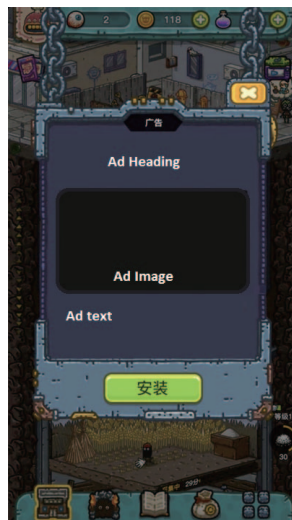
Ad Creatives

A variety of ad creatives are available on our platform, including:

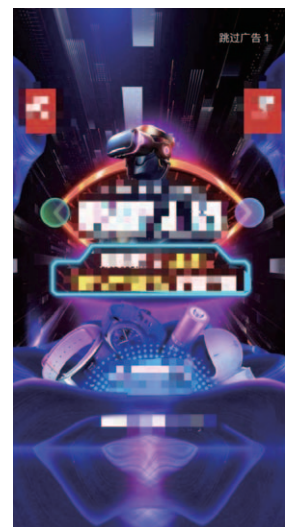
- *Text and image*
- *Video*
- *Interactive*, in the form of interactive mini programs, demos or other interactive videos:
 - *Interactive end card*, an ending screen after a video that users can interact with;
 - *Playable demo*, a small interactive playable demo of a game; and
 - *Panoramic*, interactive panoramic mini programs offered in a certain ad format.



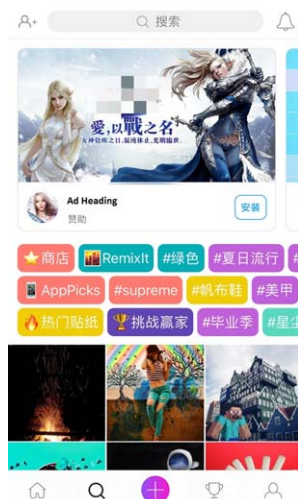
Banner



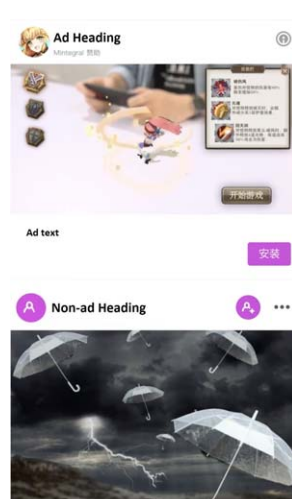
Interstitial



Splash Screen



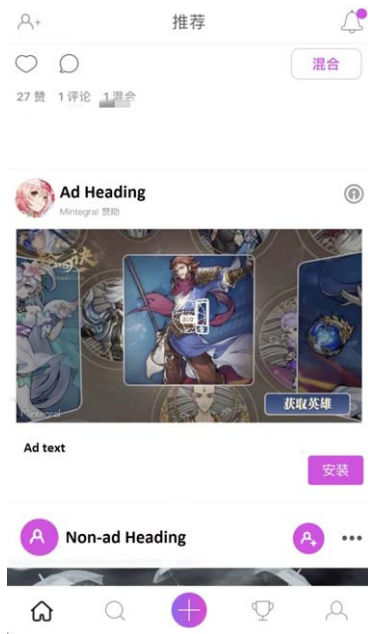
*Text and Image Ad
(in native format)*



*Video Ad
(in native format)*



*Video Ad
(in interstitials format)*



*Panoramic
(in native format)*



*Playable Demo
(in reward format)*



*Interactive End Card
(in reward format)*

Creative Lab is our dedicated ad design team and consisted of 20 employees as of June 30, 2018. Creative Lab offers ad design and integration support service for advertisers to help them achieve better marketing results. Creative Lab has created various new types of ad creative such as videos combining real player with in-game screen, vertical full-screen videos and interactive end cards featuring panoramic and dynamic content. The delivery of ad creatives with highly customized ad formats requires utilization of our Mintegral SDK, which pre-integrates advanced ad creative rendering technologies.

BUSINESS

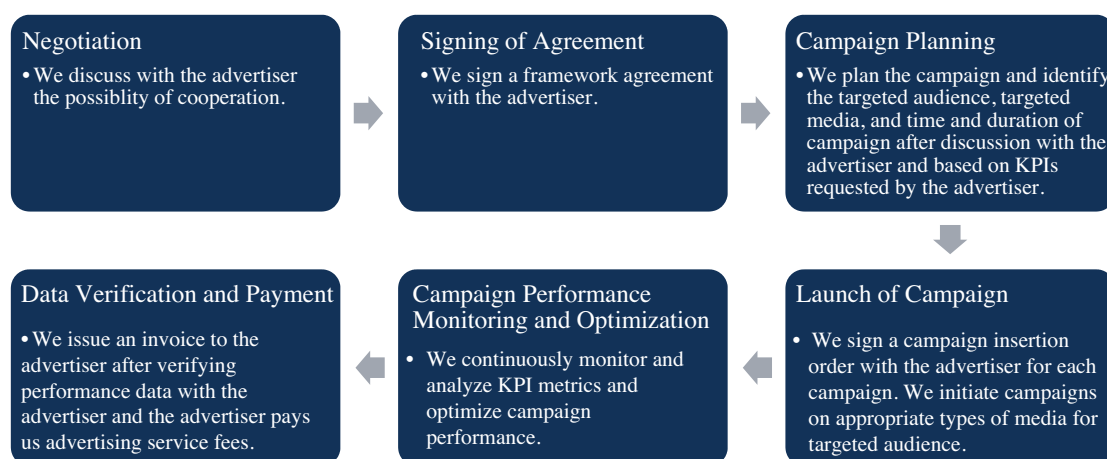
Mobile User Acquisition Services for Advertisers

We provide user acquisition services to our advertisers on our mobile advertising platform by planning, launching and managing mobile advertising campaigns to help them acquire users on top media, medium-sized media and long-tail media. We provide a full package of user acquisition services covering advertising on top media, medium-sized media and long-tail media.

We generally sign a framework advertising agreement with each of our advertisers or its advertising agency and sign an ad campaign insertion order with them under the framework advertising agreement for each campaign, which typically lasts several months. During the campaign planning stage, we identify the targeted audience, targeted media, and time and duration of campaign after discussion with the advertiser and based on the advertiser's requirement. After the launch of campaign, we deliver the ads to our publishers for them to present to the users of their apps. We continuously monitor and analyze performance metrics and optimize campaign performance with our big data and AI technology and campaign management expertise. We issue invoices to advertisers after verifying performance data with the advertiser typically on a monthly basis and the advertisers pays us user acquisition fees. Payment of invoices are generally required to be made in a month. The framework agreement may generally be terminated by one party's prior notice to the other party typically with a one-month notice period.

From our inception to June 30, 2018, we had provided user acquisition services to over 2,000 advertisers and delivered ads to over 7 billion unique mobile devices cumulatively. From our inception to June 30, 2018, app developers who had direct contractual relationships with us constituted over 96% of our advertisers that we served and rest were advertising agencies through which we provided user acquisition services to app developers. Our advertisers are mainly PRC developers for apps that target overseas users. During the five months ended June 30, 2018, we had provided user acquisition services for 45 of the top 50 PRC apps by number of overseas downloads in 2017 and over 80% of the top 20 apps by downloads in 2017 in the United States, Japan, Singapore and Indonesia. We derived substantially all of our revenues from the provision of user acquisition services to advertisers during the Track Record Period.

The diagram below sets forth the typical procedures and flow for our user acquisition services:



BUSINESS

Pricing Models

The pricing models that we use for charging our advertisers and paying our publishers for traffic acquisition include (i) cost per install, or CPI, i.e. based on the number of new installations as result of the ads, (ii) cost per engagement, or CPE, i.e. based on the number of times the mobile device user interacts with the ads, such as expanding the ad heading for more detail ad information, (iii) cost per lead, or CPL, i.e. based on the number of new sign-ups from mobile device users, (iv) cost per click, or CPC, i.e. based on the number of clicks of the ad, or (v) cost per mille, or CPM, i.e. based per one thousand impressions of the ad. CPI, CPE, CPL and CPC are typically collectively referred to as cost per action, or CPA, and are important performance based indicators. During the Track Record Period, a substantial majority of our pricing model that we use for charging our advertisers was CPI.

Determination of Fees for User Acquisition Services

We charge fees for our user acquisition services for specific advertising campaigns. We typically settle user acquisition services fees on a monthly basis. The invoice amount that we issue to our advertisers are based on the specified pricing model in the relevant insertion order and the actually achieved number of installations, interactions, sign-ups, clicks or impressions. Our advertisers' payment of user acquisition services fees to us are not conditioned on any threshold requirement for the number of ad deliveries. Some advertisers will set KPIs for advertising campaigns such as the app's user retention rate to define how to count an ad delivery as an effective ad delivery for billing purposes, based on which we will calculate the fees that we charge such advertisers. As KPIs only affect how to count the number of effective ad deliveries for purposes of fee calculation, they are not threshold requirements for our advertisers' payment.

We measure advertising effectiveness using data provided by an independent third-party mobile measurement platform. We verify the audience ad interaction data such as the number of impressions, clicks and installations tracked by the third-party platform against our own data and settle any discrepancies. If the advertiser has set any KPIs, the advertiser typically will provides post-installation data to us through the third-party platform and we will use such data to assess whether we have met the advertiser's KPIs. In addition, we can feed such data into our AI models to optimize campaign effectiveness and achieve our advertisers' user acquisition goals.

Determination of Traffic Acquisition Costs

In a specific campaign, the advertiser will set a maximum traffic acquisition costs requirement for us. For example, for an advertiser whom we charge based on the CPI pricing model, the advertiser will set the maximum traffic acquisition costs for us based on the CPI pricing model. For publishers with the CPI pricing model, we will use the number of new installation for paying traffic acquisition costs. We will not exceed the maximum traffic acquisition costs requirement set by the advertiser. For publishers with the CPM or CPC pricing model, we will convert the pricing model from CPI to CPM or CPC based on our system's real-time prediction of the publishers' capability to deliver on a CPI basis for paying traffic acquisition costs. Such prediction is based on the conversion ratio of the number of new installations to the number of impressions (in case of CPM) or clicks (in case of CPC) for similar ads delivered to mobile device users that have relevant tags such as similar types of media, regions and demography. Our system will automatically calculate the predicted conversion ratio based on the past conversion ratio feedback that we have received from publishers for ad deliveries with similar tags and convert the CPI-based price to CPM-based or CPC-based price. Our predicted CPI-based traffic acquisition costs will not exceed the maximum traffic acquisition costs set by the advertiser. Such prediction may be inaccurate and result in more costs than expected when the actual conversion ratio is less than the predicted conversion ratio, in which case our system will subsequently make adjustment based on the actual conversion ratio for future predictions.

BUSINESS

Our Advertisers

Our advertisers are typically apps such as games, utility, content, social, e-commerce and lifestyle apps. During the Track Record Period, revenues from game apps increased and revenues from utility apps decreased, which we believe was in line with development trends in the mobile app market. Developers of games, content and social, e-commerce, utility, lifestyle and other types of apps contributed for 21.4%, 46.7%, 13.5%, 6.3%, 4.7% and 7.3% of our advertising revenues in the six months ended June 30, 2018, respectively. The diversity of our app base deepens our understanding of trends for each type of app across different regions so that we are proactive in serving them and well positioned to capture new business opportunities. The table below sets forth a breakdown of our total advertising revenues by app types and their respective percentages of our total advertising revenues for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Game	20,522	13.0	72,085	26.9	113,443	36.4	64,446	37.6	39,514	21.4
Content and social ⁽¹⁾	12,285	7.8	41,364	15.5	56,319	18.0	28,164	16.4	86,209	46.7
E-commerce	12,969	8.2	37,666	14.1	51,215	16.4	29,077	17.0	24,979	13.5
Utility ⁽²⁾	101,484	64.1	73,019	27.3	47,364	15.2	25,354	14.8	11,561	6.3
Lifestyle ⁽³⁾	3,823	2.4	25,973	9.7	24,085	7.7	13,619	7.9	8,756	4.7
Other	7,169	4.5	17,484	6.5	19,618	6.3	10,845	6.3	13,400	7.3
Total	158,253	100.0	267,592	100.0	312,044	100.0	171,506	100.0	184,419	100.0

Notes:

- (1) Primarily include apps for social networking, news aggregation and pan-entertainment.
- (2) Primarily include apps for system tools and productivity.
- (3) Primarily include apps for travel, health, diet, finance and education.

For the years ended December 31, 2015, 2016 and 2017, mobile advertising revenues generated from games, content and social apps, and e-commerce apps have experienced significant growth, especially game apps, which accounted for 13.0%, 26.9% and 36.4% of our total mobile advertising revenues, respectively. This echoes the overall trend of app industry, where games developers have been in dire need of rapid user acquisition, and leading global e-commerce platforms have scaled their business overseas. In addition, revenues generated from content and social apps increased significantly in the six months ended June 30, 2018, accounting for 46.7% of our total mobile advertising revenues in the same period. This is primarily due to major China-based short video app developers significantly increased their ad campaign budgets aiming to acquire potential users overseas. By contrast, revenue contribution from utility apps decreased significantly, accounting for 64.1%, 27.3%, 15.2% and 6.3%, respectively of our total mobile advertising revenues during the Track Record Period, which is primarily in line with the industry trend where the number of utility downloads decreased in the corresponding periods.

Top Media User Acquisition Services

We provide a one-stop cross-media service for user acquisition on top media, which we define as major online media that primarily offer ad inventories through their proprietary ad platforms. These top media also offer ad inventories programmatically through their API. As of the date of this prospectus, we had cooperated with 18 top media publishers. For example, we have been an authorized Facebook Marketing Partner for campaign management services since 2017, and we were one of the only three headquartered in China as of June 30, 2018.

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Our strong relationships with top media, combined with our technology capabilities and experience in advertising campaign management, allow us to design, implement and optimize user acquisition campaigns for advertisers across different top media efficiently and effectively. As top media publishers typically offer their ad inventories on their proprietary ad platforms, it is typically cumbersome for advertisers to purchase ad inventories across multiple top media publishers and initiate cross-platform ad campaigns. Our one-stop service simplifies ad inventory purchasing procedures on top media and enables advertisers to easily carry out campaigns across different top media with specific audience targeting requirements.

Top media typically offer their ad inventories programmatically through their API or manually on their proprietary ad platform, or both. We can provide one-stop services for advertisers to purchase ad inventories (i) programmatically through API from top media connected to our ad campaign management system, and (ii) non-programmatically through the media buy approach, whereby we manually purchase ad inventories on their behalf by using their accounts in top media's proprietary ad platforms. We prefer to connect to top media through API if they support API connection to our platform.

In addition, our top media ad campaign management system is connected with the targeting and tracking systems of some top media publishers' ad platforms. Together with the help of our AI models, we can help advertisers effectively optimize cross-media campaign budgets and satisfy their massive user acquisition demand.

Medium-sized Media User Acquisition Services

Our medium-sized media user acquisition services are provided through Mintegral and leverages our strong AI capabilities to help app developers acquire users through a programmatic and automatic process that aims to run effective and high-ROI user acquisition campaigns. Medium-sized publishers on Mintegral include both app developers who integrate our Mintegral SDK and, to a lesser extent, app developers who offer their ad inventories through third-party ad exchanges connected to Mintegral. As of June 30, 2018, over 5,300 apps developed by over 700 developers had integrated our Mintegral SDK cumulatively. In addition, as of the date of this prospectus, we had cooperated with 18 ad exchanges. In the five months ended June 30, 2018, 33 of the top 50 PRC apps by number of overseas downloads in 2017 utilized our monetization services through integrating our Mintegral SDK, and with many of them ranking in the first tier in their respective app categories.

Mintegral's demand side platform allows us to manage the entire process for a programmatic user acquisition ad campaign for our advertisers. Advertisers can manage campaigns on their own through our one-stop self-service portal to access a web-based campaign management system, or rely on us to manage the entire campaign process. Advertisers can manage their ad creatives and ad style templates through our advertiser self-service portal and define their target user characteristics and other parameters of their campaign. Mintegral is currently able to apply over 39 tag categories and 700 types of tags for each mobile device user. The primary tag categories includes: (i) basic demographics such as age and gender (based on analysis of data such as ad view history or voluntarily provided information), (ii) personal interest and preference (based on analysis of data such as ad view history or voluntarily provided information), (iii) device environment such as operating system, screen resolution, (iv) location such as country and city, (v) the history of previous viewed ad and previous ad interactions. In addition, our system automatically suggests an optimized ad delivery plan for programmatic advertising. It can analyze the yield and value of different channels to propose a cost-efficient mix for media budget allocation and purchase ad inventories offered by publishers programmatically, which enables advertisers to acquire media resources at optimal costs and satisfy their user acquisition goals. We also allow advertisers to analyze and understand the performance of ad campaigns and ad creatives to optimize ROI.

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Long-tail Media User Acquisition Services

We provide long-tail user acquisition services to help advertisers implement long-tail media user acquisition campaigns. We purchase long-tail media ad inventories for our advertisers programmatically through API or non-programmatically. According to the iResearch Report, despite the prevalence of top and medium-sized media, a significant number of long-tail media still exist in the current mobile advertising industry. Therefore, advertising campaigns on long-tail media are essential to supplement top media and medium-sized media campaigns and achieve better overall marketing results.

We cover long-tail media across a broad geographic reach that provide diverse traffic for ad delivery. We have accumulated extensive operating experience in managing long-tail media campaigns. We currently have an experienced long-tail media management team of 35 employees who specialize in managing and coordinating long-tail media channels and a campaign management team of 35 employees who specialize in campaign planning, operation and optimization. With the help of our team, advertisers can implement campaigns across multiple long-tail media and achieve efficient budget planning, ROI optimization and ad delivery channel optimization.

For non-programmatic advertising campaigns on long-tail media, we will allocate advertising budgets to different long-tail media based on their historic data such as user preference, traffic amount and conversion rate. We determine the specific long-tail media channels based on our campaign management expertise according to our advertisers' requirements for the advertising campaign. We continuously monitor campaign performance and adjust the budget allocation to optimize campaign performance. We believe our strong cross-media campaign management expertise and wide coverage of top media and long-tail media are important factors our advertisers choose us for conducting non-programmatic advertising campaigns. We also compile campaign reports for advertisers to evaluate the effectiveness of their long-tail media campaigns.

Monetization Services for Publishers

We provide monetization services to our publishers on our mobile advertising platform by connecting them with advertisers on our platform and matching their available mobile ad space in their apps (which we refer to as ad inventories) to the suitable types of ads for their users. We provide monetization services to top media, medium-sized media and long-tail media. In the mobile advertising industry, ad inventories are produced every time when there is user access of the app and need to be offered to advertisers for presenting ads to users instantaneously, or otherwise will be forfeited. We believe that our monetization services are crucial to helping our publishers achieve better monetization results, although we do not charge our publishers for our monetization services. We act as a monetization service provider to our publishers to help them achieve better monetization results through our big data and AI capabilities, proprietary Mintegral SDK or API (in case of programmatic advertising) and campaign management expertise, rather than merely as an intermediary purchasing ad inventories from them for our advertiser.

We generally sign a framework monetization agreement with each of our publishers. The agreement typically has a term of a few months to one year, some with renewal clause. Publishers typically issue invoice to us after verifying ad performance data monthly and we pay the publishers traffic acquisition cost accordingly. Payment of invoice is generally required to be made in a month. The framework agreement may generally be terminated by one party's prior notice to the other party typically with a one-month notice period.

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We typically use CPI as the pricing model for paying our medium-sized media and long-tail media publishers, and use CPM as the pricing model for paying our top media publishers and a small portion of our medium-sized media publishers for traffic acquisition costs. We also use CPC as the pricing model for paying a small portion of our top media publishers.

As of June 30, 2018, over 5,300 apps developed by over 700 developers globally had integrated our Mintegral SDK cumulatively. The average DAUs of our Mintegral SDK increased from 15.6 million in 2015 to 72.8 million in 2016 and reached over 240.0 million in 2017. The average DAUs of our Mintegral SDK reached 203.7 million in the six months ended June 30, 2017 and 327.4 million in the six months ended June 30, 2018. In addition, an increasing number of app developers use both our user acquisition and monetization services. For example, 31 of the top 50 PRC apps by number of overseas downloads in 2017 have used both our user acquisition and monetization services through Mintegral SDK integration during the five months ended June 30, 2018.

Top Media Monetization Service

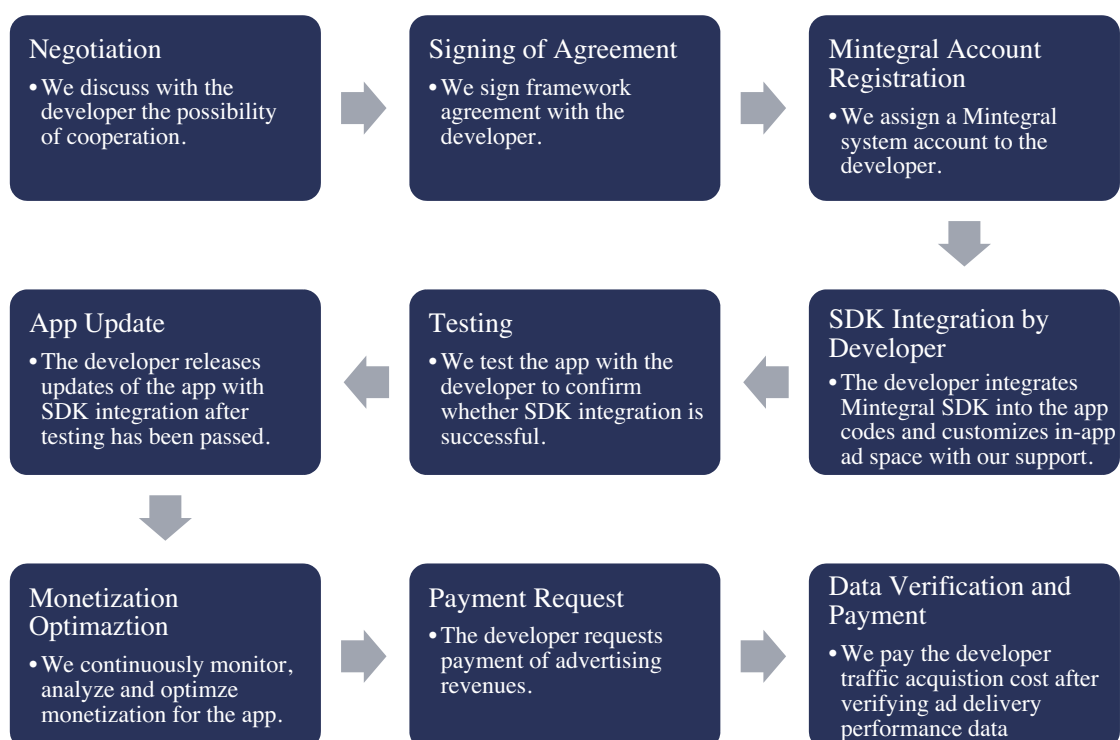
Top media publishers typically use their proprietary ad platform to offer their ad inventories. These publishers monetize their ad inventory programmatically by connecting through their API to our ad campaign system. In addition, they also offer their ad inventories through the media buy approach, whereby we purchase ad inventory directly from their proprietary ad platform manually on behalf of certain advertisers by using such advertisers' accounts with the top media.

Medium-sized Media Monetization Service

Our Mintegral platform allows app developers to monetize their user bases through programmatic offering of their ad inventories. Mintegral allows publishers to connect with advertising demand on both our own ad network and third-party ad exchanges. With our Mintegral SDK integrated in their apps, publishers can offer their ad inventories in various formats. Our Mintegral SDK is offered in a variety of versions for different platforms and environments, including the Android and iOS operating systems, in HTML5 and JavaScript languages and for popular mobile game engines. It also offers diverse interactive ad creative and native ad formats for ad delivery. In addition, powered by AI algorithms, our eCPM-oriented system automatically delivers suitable ad creatives in appropriate formats to targeted mobile device users and tracks their interaction with the ads. By using the data reporting function, our publishers can analyze and understand mobile device users' interaction with the ads in their apps, and track and monitor monetization metrics such as eCPM. The average DAUs of our Mintegral SDK increased from 15.6 million in 2015 to 72.8 million in 2016 and reached over 240.0 million in 2017. The average DAUs of our Mintegral SDK reached 203.7 million in the six months ended June 30, 2017 and 327.4 million in the six months ended June 30, 2018.

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The diagram below sets forth the typical procedures and flow for our monetization services for medium-sized media publishers that integrate our Mintegral SDK.

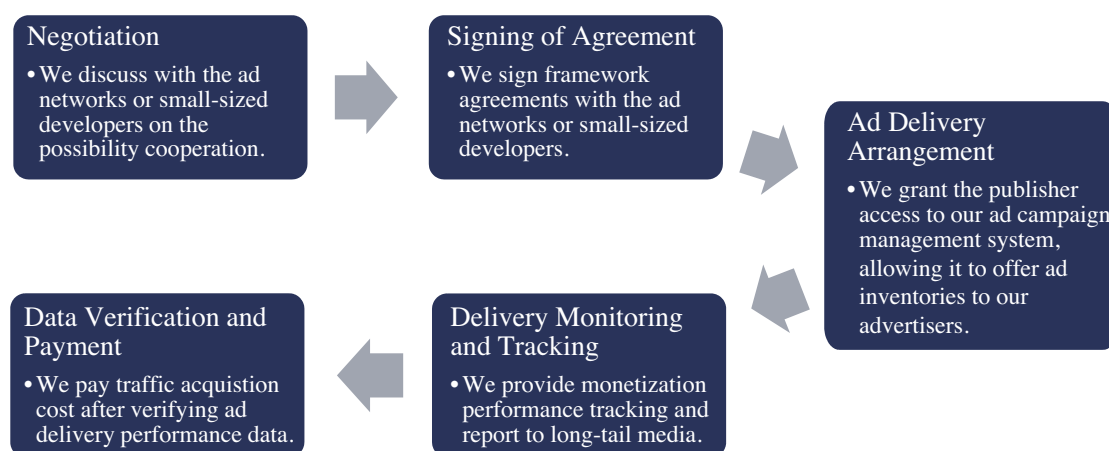


Long-tail Media Monetization Service

We provide monetization services for long-tail media, which we define as media who are either (i) ad networks that acts as a third-party intermediary to purchase, aggregate and resell ad inventories from small traffic sources such as small-sized apps to third-party ad platforms like us, or (ii) other small-sized media publishers that directly cooperate with us, such as apps with low number of active users and very short life cycles. Ad networks connect to our ad campaign management system programmatically through API rather than Mintegral SDK or manually. Other small-sized media publishers that directly cooperate with us through manual approach. Ad networks and other small-sized media publishers choose to cooperate us through API and manually, as SDK integration requires developers to have more technical capability and spend more time for coding, debugging and testing for connection with our system. Our platform helps long-tail media acquire ad offers from our extensive advertiser base and achieve efficient monetization. Payment of traffic acquisition costs are typically made through the ad networks to publishers. We typically create unique web links for each campaign activity on long-tail media for them to embed in their apps and we track ad interaction, which takes place when users click such links and are redirected to ad contents. Our service portal for long-tail media also allows publishers to monitor and analyze their advertising operating metrics.

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The diagram below sets forth the typical procedures and flow for our monetization services for long-tail media.



Our Mobile Analytics SaaS Platform

GameAnalytics is our mobile analytics SaaS platform that provides comprehensive game data analytical tools for game developers. Game Analytics ApS was launched in 2011 and acquired by us in 2016. GameAnalytics meets the demands for specialized game mobile analytics services from game developers, especially the increasing number of medium-sized and small-sized developers who do not have the ability to develop their own analytic tools. GameAnalytics constitutes an essential part of our ecosystem, providing game developers with a complete and unified platform to acquire, analyze, retain, and monetize game players in real time to maximize the developers' ROI across the entire service stack together with our user acquisition and monetization services. GameAnalytics also contributes to our mobile advertising platform by expanding our publisher and advertiser base, and contributing game data to our database to segment game player audiences for more relevant and effective advertising subject to the privacy requirements of each jurisdiction in which we operate.

Mobile Analytics Services for Game Developers

We provide mobile analytics services through GameAnalytics to game developers. By integrating our GameAnalytics SDK into their mobile games, game developers can monitor and analyze various aspects of game player data through the web-based customizable GameAnalytics dashboard. As of June 30, 2018, over 19,000 game developers in over 130 countries used GameAnalytics to track game data in over 49,000 games by integrating GameAnalytics SDKs cumulatively. GameAnalytics SDK average DAUs reached over 19.0 million, 27.0 million, 53.0 million and 75.2 million in the fourth quarter of 2015, 2016 and 2017, and in the second quarter of 2018, respectively. GameAnalytics SDK average DAUs increased from 32.0 million in the six months ended June 30, 2017 to 70.2 million in the six months ended June 30, 2018. GameAnalytics is currently provided as a software service licensed on a free subscription basis.

The key features of our GameAnalytics platform are set out below:

- *Lightweight SDK with Cross-platform Support.* We currently provide lightweight SDKs for integration with 19 major game engines and platforms, including SDKs for the Android and iOS operating systems, and popular game engines. Game developers can sign up, integrate, and use GameAnalytics services without any direct support from our team. We maintain detailed technical documentation for SDK integration and a library of e-book resources on topics such as game mobile analytics and monetization for developers' reference. We also provide customer support for technical issues.

- *Flexible Metrics Monitoring and Event Tracking.* By integrating the GameAnalytics SDK, game developers can monitor and analyze various aspects of game player data through the web-based customizable GameAnalytics dashboard. Developers can monitor and analyze more than 30 core metrics through GameAnalytics, including new users, DAU, ARPDau, ARPPU, user retention, conversion rate, and average session length. The GameAnalytics user interface is easy to navigate and can deliver more than 35 types of pre-built reports in the dashboard that game developers can access. In addition, developers can track customizable events in their games such as the gain or loss of the player's game resources, the player's purchase behavior, the player's progression in the game, the player's interaction with the game's user interface, or certain error events. A part of these reports are also available in the GameAnalytics mobile app. Game developers also have the option to export their game data, or to query metrics programmatically via a reporting API.
- *Benchmarking and Real-time Analysis.* The benchmark reports on GameAnalytics allow game developers to compare their game's performance to that of all the other games in the GameAnalytics' network, giving them an understanding of the markets on which their game is represented and its performance. GameAnalytics also features real-time data analysis where game developers can monitor the most essential user and error metrics based on the data for the past 24 hours and core metrics based on the data aggregated no later than five minutes ago unless there are processing delays.
- *Integration with Attribution Platforms.* With acquisition attribution, game developers can track the performance of their marketing efforts across different sources. Attribution matches users to developers' advertising campaigns and helps them understand user engagement and monetization. We partner with four different attribution services that send GameAnalytics attribution information. GameAnalytics matches the attributed user to users seen through the GameAnalytics SDK.

Although we currently do not charge for our mobile analytics services, services provided through GameAnalytics may become one of our sources of revenues in the future. Specifically, we plan to develop GameAnalytics in the following aspects: (i) we plan to establish an enterprise SaaS platform to provide predictive analytics services based on the proprietary dataset of GameAnalytics and charge users monthly subscription fees; (ii) we plan to establish a data exchange to share the non-sensitive information from the proprietary dataset of GameAnalytics after conducting data masking procedures and charge users on the number of data access; (iii) we plan to integrate a third-party ad mediation function into GameAnalytics SDK and share advertising revenues from other third-party advertising platforms; and (iv) we plan to provide one-stop operation services with an Asian market focus through GameAnalytics for overseas indie casual game developers in combination of our mobile user acquisition services and monetization services and share our gross profit from one-stop operation services revenues with such developers.

OUR GLOBAL FOOTPRINT



Our Office Locations

Our business is built around a “Glocal” operating model, through which we aim to provide high-quality, localized service with an extensive global footprint. We serve both PRC and overseas app developers in their local and global expansion. As of June 30, 2018, we had offices in 8 countries, including China, the United States, the United Kingdom, the Netherlands, Denmark, Japan, Singapore and India with ad delivery coverage in over 200 countries. Our revenues from advertisers headquartered outside Greater China totaled US\$36.2 million in 2015, US\$132.3 million in 2016, US\$172.0 million in 2017 and US\$65.9 million in the six months ended June 30, 2018, representing 22.9%, 49.4%, 55.1% and 35.7% of our total mobile advertising services revenues, respectively, during those periods. We have relatively geographically diverse revenues, with Greater China, Americas, Europe, and Southeast Asia advertisers contributing 64.3%, 9.5%, 4.9% and 6.3% of our total mobile advertising services revenues in the six months ended June 30, 2018, respectively. According to the iResearch Report, we were a leading third-party mobile advertising platform in terms of providing user acquisition services during the five months ended June 30, 2018 to the top 20 apps by downloads in 2017 in the United States, Japan, South Korea, Singapore, Indonesia and Thailand.

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Most of the ads in our ad campaigns are delivered to mobile device users outside Greater China. Below is the geographic distribution of mobile device users on our mobile advertising platform since 2016.

	For the Year Ended December 31,		For the six months ended
	2016	2017	June 30, 2018
Greater China ⁽¹⁾	3.4%	4.5%	5.1%
Americas	20.6%	21.9%	20.1%
Southeast Asia	13.8%	12.3%	11.7%
Europe	22.1%	18.6%	21.8%
Rest of Asia ⁽²⁾	25.1%	25.9%	26.7%
Rest of the world	15.0%	16.8%	14.6%
Total	100.0%	100.0%	100.0%

Notes: Data is based on the IP address location and calculated from sampling of DAUs throughout each period.

(1) Includes PRC, Hong Kong, Macau and Taiwan.

(2) Includes other countries and regions in Asia, excluding Southeast Asia and Greater China.

We are committed to satisfying the diverse needs of advertisers and publishers globally across regions and locales by leveraging the cross-jurisdiction know-how embedded in our “Glocal” operating model. Our local entities in major markets attract local partners and talent and demonstrate our strong long-term commitment to local markets. We have highly integrated teams in local offices consisting of both local employees and employees dispatched from our headquarters in China. Our local talent provides us with a deep understanding of local markets and cultures to provide localized services, while the employees from our headquarters enable the effective implementation of our global strategy.

Our local presence also facilitates our local tax and compliance know-how and capabilities, especially in major economies such as the US, Europe, India and Japan. This know-how facilitates our communication with local tax and other governmental authorities and improves our efficiency in regulatory matters such as governmental filings and approvals. In addition, local bank accounts and international settlement support from local banks are critical for a global company in the current strict banking regulatory environment. We have accounts with banks in Hong Kong, Singapore, the United States, India, Japan, the United Kingdom, Denmark and the Netherlands and benefit from their streamlined international settlement services, which meet our cross-region business needs and ensures the efficiency of transaction flows.

We have strong global-local coordination capabilities and our offices around the world operate as an integrated team through our internal systems. We have a balanced allocation of duties between local and Group-level management. We seek to ensure that our local management has sufficient authority to drive the local business and our Group-level management participates in key decisions and are informed of material changes in local businesses to our implement global strategy. While reporting standards are aligned at the Group level, we allow local entities to use different ERP systems to better fit their local financial reporting and tax compliance requirements. We retain both global and local tax advisors to ensure that we have both a global tax compliance strategy and local tax compliance in major markets. Our overseas human resource business partners bridge human resource matters between our headquarters in China and our local offices. Our overall coordination capabilities enhance the efficiency of our global collaboration, achieve service standardization and strengthen our ability to continue to expand globally.

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As a global company, we rely on the internal export and import of our services among our subsidiaries in China and overseas offices. We have adopted measures to ensure our compliance with relevant law and regulations on transfer pricing and intra-group transactions, including retaining external tax advisors for transfer pricing compliance matters. We have established mechanisms identifying related party transactions under tax law, monitoring and addressing to potential risks on regular basis. We specifically focus on compliance issues for material intra-group transactions between PRC and Hong Kong, between Hong Kong and the United State, as well as between Hong Kong and Singapore. Our major intra-group transactions are priced and performed in accordance to group's transfer pricing policy, with reference to the benchmarking studies prepared by external tax advisors. To comply with the relevant law and regulations on transfer pricing, we also engage external tax advisor to prepare contemporaneous transfer pricing documentation reports to analyze and support the reasonableness of our major intra-group transactions. Based on advice of our external tax advisor, we understand that our practice complies with the relevant law and regulations on transfer pricing.

LEGACY GAME PUBLISHING BUSINESS

Historically, we published and operated third-party developed and licensed games overseas by ourselves or through cooperation with local publishers. Revenues generated from game publishing was primarily derived from sales of in-game virtual items. For the years ended December 31, 2015, 2016, 2017 and the six months ended June 30, 2018, our revenues generated from game publishing accounted for 5.4%, 5.8%, 0.3% and 0.02% of our total revenues, respectively. We expect our legacy revenues to further decrease as we have strategically focused solely on mobile advertising services since the fourth quarter of 2016.

BIG DATA AND AI CAPABILITIES

All of our services are empowered by our proprietary data technology and enabled by our big data AI system. Our big data AI system is designed to serve as a central platform to provide fundamental data services, computing service, and intelligent decision service.

Data Sources

Our massive data warehouse consists of information collected from publishers, advertisers and GameAnalytics, our SaaS mobile analytics platform for game developers. The data that we collect are device-specific and we distinguish mobile devices by device IDs. We do not collect or store personal data that can identify a real person, such as user's legal name and personal ID number. The specific types of data that we collect include the following:

- *Proprietary data.* Depending on availability, our system collects data that are directly related to ad deliveries and requests, including (i) the IP address of the user's device; (ii) data related to the user's interaction with the ad, such as the user's click or download events and the time of such interaction; (iii) data related to the ad creative and ad format information, such as whether the ad is picture, video or interactive, the ad format, size and resolution; (iv) in the case of apps with Mintegral SDK integration, publisher-related data such as the name, type and developer of the publisher's app and impression data; and (v) in the case of apps with Mintegral SDK integration, specific information about the mobile device such as mobile network status, network operator, operating system, device model, screen resolution, memory and battery status. Mintegral SDK integration, therefore enables our system to collect additional dimensions of meaningful data than is available through other means of cooperation with publishers, based on which we may also adjust the types and formats of ad creatives and achieve more precise targeting.

In addition to data directly related to ad deliveries and requests, our proprietary data also includes data from GameAnalytics. Data that we collect from GameAnalytics are typically with respect to key post-installation actions of game players. GameAnalytics allows developers to track customizable events in their games through SDK integration such as the gain or loss of the

player's game resources, the player's purchase behavior, the player's progression in the game, the player's interaction with the game's user interface, or certain error events. These types of data also constitute data input into our system, based on which we can identify game players that have tendencies to view ads for better ad targeting and delivery.

- *Third-party data collected from advertisers and publishers.* We also collect additional data that are voluntarily provided by advertisers and publishers directly related to ad deliveries and requests, including (i) in the case of advertisers, additional in-app key events of users after installation, such as registrations, creation of game profile, place of orders, account refilling and in-app purchase; and (ii) in the case of publishers, additional demographic and interest tags along with ad exchange or top media ad requests and additional in-app key events.

Features of Our Big Data and AI Technologies

Our big data and AI technologies serve as the foundation of our mobile advertising services. The features of our big data and AI technologies include:

- *One-stop big scale distributable architecture.* Our system can provide one-stop big data and AI service backend services for all parts of our advertising platform. Our system is supported by our optimized architecture and stream computation capabilities and can currently process billions of features continuously and update new AI algorithm models in seconds. The responsiveness of our system is critical for us to deliver ads efficiently and accurately and succeed in the mobile advertising industry.
- *Application of advanced machine learning algorithms.* Our experienced algorithm engineers are essential to design effective algorithms for our AI model to evolve efficiently and generate more accurately by analyzing and understanding the non-linear relationship among different features. We have applied multiple mainstream machine learning algorithms such as logistic regression, gradient boosting decision tree and field-aware factorization machine to achieve efficient modeling. In addition, we have also applied deep learning algorithms such as deep neural network and convolutional neural network.
- *Full-cycle machine learning system.* Our system covers the complete cycle of machine learning, including data preparation, model deployment, model training, parameter optimization and online testing, which makes testing traceable and repeatable and improves the efficiency of algorithm optimization.

Applications in Mobile Advertising and Mobile Analytics

- *Campaign planning and prediction.* Before the launch of a campaign, our system generates targeting conditions such as targeted geographic, gender or interest tags through an analysis of accumulated data on device, ads, ad space and other ad context information. Our system groups different types of targeted audiences, allocates ad creatives to audience groups and predicts the click-through rate or conversion rate of the campaign.
- *Campaign strategy optimization.* During a campaign, our online real-time model service module feeds real-time user behavior data into our feature engineering module. Through a combination of machine learning algorithms, our system can continually analyze billions of changing features and implement new model updates every few seconds to improve the precision of click-through rate and conversion rate prediction in different audience groups for different types of ad creatives. Our system adjusts the ad delivery based on real-time click-through rate and conversion rate predictions by pausing or restarting the campaign, increasing or decreasing budget and expanding look-alike audience coverage.

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- *Predictive audiences.* As GameAnalytics has strong visibility and understanding of player behavior in games, we are working to develop an internal data science toolkit that we can leverage to give game developers and studios access to easy-to-use, pre-built predictive insights, which they can use directly from GameAnalytics without having to build internal data warehouses or to hire an expensive data team. We intend to use internal predictive modelling to identify players of a game who are likely to spend in game and target these players to increase their lifetime value for more effective advertising campaigns for user acquisition customers.

OUR TECHNOLOGY AND IT INFRASTRUCTURE

We believe our technology and IT infrastructure are a competitive advantage and an important reason that app developers utilize our platform. The key features of our technology and IT infrastructure include:

- *Efficient IT infrastructure.* Our highly scalable and reliable IT infrastructure supports and optimizes our operations. Our system is built on a microservice, serverless and auto-scaling architecture, which is both highly scalable and reliable. Our IT infrastructure is able to cover more than 200 countries with up to 25 million ad delivery requests per minute with an average response time of approximately 25 milliseconds.

We use a microservice architecture whereby each part of our business, such as our Mintegral supply and demand platforms, and our long-tail media services, is operated by independent, auto-scaling and standardized service modules. This architecture enables us to react quickly to new business needs by adding new service modules. We can also fine-tune each service module and integrate common functions into separate modules to keep our architecture concise, which enhances the efficiency and flexibility of our system and reduces our maintenance costs.

In addition, we utilize an all-in-cloud architecture whereby we work with Amazon Web Services as our cloud computing service provider. We have auto-scaling features that enable us to dynamically manage our server costs in line with shifting traffic.

- *Lightweight, stable and compatible multi-environment SDKs.* Our Mintegral and GameAnalytics SDKs are lightweight and easy for developers to integrate into apps with minimal package size increase. For example, the size of the Mintegral SDK is only a few kilobytes for Android apps. Mintegral and GameAnalytics SDKs are highly stable, compatible, have extremely low crash frequency and minimal memory, network and battery usage. For examples, the various versions of Mintegral SDKs have a crash frequency of less than 0.027%. Our Mintegral and GameAnalytics SDKs are offered in different versions and support not only Android and iOS, but also popular games engines for direct integration in game development environment. We provide developers with extensive documentation and technical references and have a technical support team for our SDKs.
- *Anti-fraud mechanism.* To counter fraud, our team developed an anti-fraud system built on machine learning and big data technology to makes sure ads are served by real publishers, shown to real people and are reaching the right target mobile device users. Our system detects ad fraud through an analysis of the mobile device user's behavioral, network, browser and device information, including ad delivery channel, inventory source, temporal and historical browsing patterns, geographical distribution and page interaction, to filter out false impressions such as those generated by illegal bot activity or fraudulent web address. Our team closely tracks the evolving fraud mechanisms in the industry and improves our system to identify ad fraud.
- *Data security and stability.* Our internal network is configured with multiple layers of security to isolate our databases from unauthorized access and we use sophisticated security protocols for internal and external communication and transmission of the encrypted user information. We utilize firewalls to prevent unauthorized access to our system. We have multiple layers of redundancy to ensure the reliability of our network. Our systems infrastructure is hosted in

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co-located redundant data centers at multiple locations in China and overseas. We implement a 24/7 on-call policy to enable us to react quickly to technical issues. We also maintain an automatic monitoring system which is able to monitor key indicators in our business operations and IT system and triggers an alert when any indicator exceeds its safe threshold, allowing us to quickly respond to unexpected incidents.

DATA PROTECTION AND PRIVACY

We have implemented policies to comply with relevant laws and regulations on data protection and privacy in our business operations and we seek to ensure the data that we collect are not misappropriated or misused. We collect device-specific data such as device ID and IP address, but we do not collect or store personal data such as the user's legal name or personal ID number. As such, our ad targeting is technically device-based and is not associated with the real person who is the actual user of such device.

We have implemented measures to comply with laws and regulations on data protection and privacy in China, the United States and other major jurisdictions. We have implemented internal user personal data usage and maintenance policy, requiring our employees to use user data only for the specific purpose and scope previously agreed by relevant users and not to use such data for other uses without prior written consent from relevant users. We have implemented protection and security measures for personal data collection, process and storage and continue to strength such measures, including our data monitoring system, firewall, data encryption technology, system login protection, digital access authentication, data backup and other automatic software protection measures. We continuously update our user privacy policy on our official website and send newsletters to users regarding privacy policy update and ensure our compliance with relevant laws and regulations, including the Children's Online Privacy Protection Act, or the COPPA. We generally include user data and privacy clause in our contracts to require our contractual counterparties to comply with our privacy policies and relevant laws and regulations on data protection and privacy.

We have also implemented specific measures to comply with GDPR. We have retained external counsel for our GDPR compliance matters. We have asked the external counsel to prepare a data flow report, identify applicable entities within our Group and prepare GDPR guidance for each of the applicable entities. In addition to the general measures mentioned above, the major GDPR compliance measures that we have adopted include: (i) the implementation of our internal GDPR data privacy policy, data breach response plan, data retention policy, data subject rights' guideline and the delivery of data protection notice to our employees in the EU on their data privacy rights under GDPR; (ii) the compilation of our data processing record to comply with the written record requirement for data processing activities under GDPR; (iii) the completion of the legitimate interest assessment to establish our legitimate basis for data collection and processing under GDPR; (iv) the entry into of international transfer intra-group model contracts between our EU entities and non-EU entities to enable the transmission of personal data collected in the EU to non-EU countries to comply with the GDPR and our Dutch subsidiary has signed data protection representative agreement as the data protection representative for our non-EU entities; (v) the appointment of a data protection officer to supervise GDPR compliance matters within our Group; (vi) the updating of our user privacy policy and transmission of newsletters to users regarding such policy update in response to GDPR; and (vii) the updating of our form service agreement to include GDPR compliance clauses. We have required our existing advertisers, publishers and data service providers to sign additional agreements to comply with GDPR.

RESEARCH AND DEVELOPMENT

As of June 30, 2018, we had a research and development team of 285 full-time employees, constituting over 49.1% of our employees. In 2015, 2016, 2017 and the six months ended June 30, 2018, we incurred research and development expenses of US\$2.3 million, US\$7.4 million, US\$18.9 million and US\$12.2 million, respectively. Our Mintegral platform and SDK, our ad campaign management system and other associated big data and AI technologies are all developed in-house by our research and development team. Our research and development focus and reasons for the increase in our research and development expenses

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during the Track Record Period were primarily due to (i) the development of the technology and algorithm platform severing as the infrastructure for our entire operation and (ii) the specific technology systems at the application level including our campaign management system, Mintegral SDK, the supply side and demand side platforms of our Mintegral platform, and our big data AI system.

We have allocated a significant amount of our research and development expenses to the development of our Mintegral platform. We spent US\$6.8 million, US\$14.2 million and US\$8.5 million in connection with the development of our Mintegral platform in 2016, 2017 and the six months ended June 30, 2018, which primarily contributed to the growth of our revenues generated from programmatic advertising. During the Track Record Period, revenues generated from programmatic advertising have experienced significant growth, from US\$11.7 million in 2015 to US\$114.4 million in 2017, representing a CAGR of 212.8%. Our revenues from programmatic advertising increased from US\$62.2 million in the six months ended June 30, 2017 to US\$88.2 million in the six months ended June 30, 2018.

We have enhanced our Mintegral platform in the following aspects during the Track Record Period:

- We have enhanced our platform-level infrastructure and general technologies for our Mintegral platform. Specifically, we have (i) improved the response speed of our Mintegral system primarily by establishing and optimizing the technical architecture for fast-speed massive computing required for multi-dimensional precise targeting; (ii) established and enhanced the system framework for Mintegral, specifically the big data AI system, and (iii) created innovative types of ad formats and ad creative.
- We have developed and enhanced the product offering of our Mintegral platform by developing its demand side and supply side platforms.
- We have developed and enhanced the application-level technologies of our Mintegral platform. Specifically, we have developed and enhanced (i) the self-service portal on our platform, and (ii) analysis reporting tools for campaign management and other front-end functions.

In addition, during the Track Record Period, we have also devoted to the development and optimization of our system for top media and long-tail media, such as our campaign management system for top media, and our other internal supporting systems. The enhancement of our technologies for API-based programmatic advertising for top media and long-tail media also contributed to the growth of our revenues generated from programmatic advertising to some extent during the Track Record Period.

We maintain a task management and team collaboration system that streamlines the work flows of the entire development process. We implement effective code review and version control procedures and documentation procedures to achieve higher development efficiency and maintain our high quality code repository. We also maintain an effective log management system for our engineers to conduct log analysis and solve technical issues.

Our technology team is led by two vice-presidents for technology, Mr. WU Feng and Mr. CAI Chao. Mr. Wu served at Baidu in its research and development department and at AutoNavi, a leading web mapping, navigation and location-based services provider. Mr. Cai served as architect at Amazon China and HP China. Mr. Cai is also a certified expert by Sun, IBM and Microsoft, and has 15 years of software development experience. Most of our research and development management team have prior experience at leading Internet and technology companies.

Our development process is continually driven by innovation from our research and development team and demands from app developers. We encourage our employees to maintain close communications with our customers to understand their needs, and provide our development teams with autonomy and freedom to explore new concepts in development. We implement the agile development approach, which is an iterative, incremental method of managing the design of our products with an aim to provide new services in a highly

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flexible and interactive manner. After completing the project initiation and development stage, we conduct internal tests to resolve any major technological issues and bugs that may exist in the test version. After launch, we continually monitor and analyze system performance and continue to optimize our system's functions and performance.

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business, and we devote significant time and resources to their development and protection. We protect our intellectual property rights through a combination of copyright, trademark and other intellectual property laws, as well as confidentiality and license agreements with our employees, suppliers, partners and others. In general, our employees must enter into a standard employment contract which includes a clause acknowledging that all inventions, trade secrets, developments and other processes generated by them on our behalf are our property, and assigning to us any ownership rights that they may claim in those works. Despite our precautions, however, third parties may obtain and use intellectual property that we own or license without our consent. During the Track Record Period, we did not find any of such breaches of our intellectual property rights. However, unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations. See “Risk Factors—Risks Relating to Our Business and Industry—We may not be able to prevent others from making unauthorized use of our intellectual property” in this prospectus.

As of June 30, 2018, we owned 28 registered domain names which we believe are material to our business. We generally renew our domain name registrations once every year and applications for their renewal are usually approximately made within 12 months prior to their expiration. Under normal circumstances, the domain name registrations take effect immediately after the payment of renewal fees. As of June 30, 2018, all of our registered domain names were in effect. If any of our domain name registrations cannot be renewed for any reason, the domain name registrar may deregister the relevant domain name.

As of June 30, 2018, we held 15 software copyrights with the State Copyright Bureau of China. As of June 30, 2018, we owned 39 trademarks in various categories and registered with the China Trademark Office. We have also registered trademarks in jurisdictions including Hong Kong, Taiwan, Japan, Singapore, India, Korea and European Union and the United States.

We did not experience any material disputes or any other pending legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

SEASONALITY

In the mobile advertising industry, companies commonly experience seasonal fluctuations in revenues. For example, many advertisers allocate the largest portion of their budgets in holiday seasons in order to coincide with increased holiday purchasing. Generally, advertisers spend more on performance-based advertising in the second half of the year than in the first half, as e-commerce companies conduct sales and game developers choose to launch new games typically in the second half of the year. For the years ended December 31, 2015, 2016 and 2017, mobile advertising revenues in the first half of the year accounted for 38.8%, 38.8% and 55.0%, respectively, whereas mobile advertising revenues in the second half of the year accounted for 61.2%, 61.2% and 45.0%, respectively, of the total advertising revenues in the same year. The exceptional case in the second half of 2017 was primarily due to the implementation of more rigorous risk control measures, especially credit review procedures for new customers. We expect our revenues to continue to fluctuate based on seasonal factors that affect the mobile advertising industry as a whole.

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COMPETITION

We expect competition in the mobile advertising industry to intensify. Our direct competitors are other third-party mobile advertising platforms like us. We also compete with major mobile media that offer their ad inventories to advertisers directly on their own platforms. In addition, we compete for advertisers' overall marketing spending with direct marketing, print advertising companies and traditional media such as television, radio and cable companies. We also compete with other mobile analytics service providers that provide mobile analytics services for app developers.

We believe that we are differentiated from our competitors in the following areas:

- we are a third-party mobile advertising and mobile analytics platform providing one-stop services for user acquisition, monetization and mobile analytics services and we serve both advertisers and publishers so that we can leverage both the user acquisition and monetization demands in our ecosystem;
- we are an independent platform purely providing services without conflicts of interest in distributing media resources;
- we do not compete as an app developer with our publishers, so app developers are comfortable in sharing operating metrics with us;
- we have extensive global footprint and strong local service capabilities;
- we have robust big data and outstanding AI capabilities supported by strong IT infrastructure to ensure optimization of campaign performance and monetization performance; and
- we have a sizable and diverse advertiser base and high quality multi-tier media coverage.

SALES AND MARKETING

As of June 30, 2018, we had a team consisting of 50 sales, business development and marketing employees. Our marketing efforts are focused on increasing awareness for our brand. We seek to accomplish such objective and acquire customers and suppliers for our mobile advertising platform and customers for our SaaS mobile analytics platform by presenting at industry conferences, hosting client conferences, publishing research articles, attending public relations activities and increasing social media presence. For the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, our selling and marketing expenses amounted to US\$1.4 million, US\$4.5 million, US\$6.4 million and US\$3.0 million, respectively. We do not provide incentives to our customers. Starting from early 2018, we began to provide cash incentives to certain high quality publishers with established user bases, five of which were our top five suppliers during the Track Record Period. We select such publishers based on a combination of factors, including their product type, ranking, number of active users and geographic distribution of users. We deem these publishers strategically important to establish cooperation relationships with due to the entry barrier that an early mover can establish in terms of SDK integration and the limited number of SDKs that an app developer can integrate. For the six months ended June 30, 2018, the amount of incentives that we provided to publishers was US\$7.9 million.

TOP CUSTOMERS AND SUPPLIERS

Top Customers

Our customers are primarily app developers that need third-party services to help them conduct mobile advertising campaigns to acquire users. Our top five customers accounted for 52.5%, 18.3%, 19.2% and 46.7% of our revenues for each of the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, respectively. The form of agreements with our top advertisers does not differ significantly from the the form of agreements with our other advertisers. We generally sign a framework

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advertising agreement with our advertisers and sign an ad campaign insertion order under the framework advertising agreement with them for each campaign, which typically lasts a few months. We plan, manage and optimize ad campaigns on targeted media based on the KPIs and other requirements determined by the advertisers. The majority of our pricing models are performance based. We issue invoice to advertisers after verifying performance data with the advertiser and the advertiser pays us advertising fees. The framework agreement may generally be terminated by one party's prior notice to the other party typically with a one-month notice period.

The following tables set forth details of our top five customers during the Track Record Period.

For the Year ended December 31, 2015

Customer	Background and principal business	Years of business relationship [#]	Revenues from the customer (US\$ in millions)	Revenues from the customer as a percentage of our total revenues	Costs paid to the customer (US\$ in millions)	Costs paid to the customer as a percentage of our total costs of sales
Company A	A China-based Internet company developing mobile games and apps	3 years	37.1	22.2%	—	—
Company B*	A China-based company operating Internet search engine	4 years	15.5	9.3%	0.6	0.4%
Company C*	A Chinese app developer	3 years	15.0	9.0%	0.6	0.4%
Company D*	A Chinese Internet security company	3 years	12.8	7.6%	2.6	1.8%
Company E	A Chinese social game apps developer	3 years	7.4	4.4%	—	—

For the Year ended December 31, 2016

Customer	Background and principal business	Years of business relationship [#]	Revenues from the customer (US\$ in millions)	Revenues from the customer as a percentage of our total revenues	Costs paid to the customer (US\$ in millions)	Costs paid to the customer as a percentage of our total costs of sales
Company F*	A mobile utility app and casual game developer	4 years	16.5	5.8%	4.3	2.0%
Company B*	A China-based company operating Internet search engine	4 years	12.6	4.4%	2.8	1.3%
Company D*	A Chinese internet security company	3 years	9.1	3.2%	5.3	2.5%
Company G	A U.S.-based start-up focusing on building global mobile shopping platform	2 years	7.6	2.7%	—	—
Company H*	A technology company that provides mobile products and user experience for Android tablets and smart phone users	4 years	6.2	2.2%	1.5	0.7%

For the Year ended December 31, 2017

Customer	Background and principal business	Years of business relationship [#]	Revenues from the customer (US\$ in millions)	Revenues from the customer as a percentage of our total revenues	Costs paid to the customer (US\$ in millions)	Costs paid to the customer as a percentage of our total costs of sales
Company I*	A China-based mobile news and information content platform, focusing on content creation, aggregation and distribution	2 years	18.6	5.9%	—	—
Company J	A mobile advertising company offering demographic targeting, analytics, advertising monetization support and consumer research services	3 years	12.1	3.9%	—	—
Company K	A Southeast Asian e-commerce company	3 years	11.5	3.7%	—	—
Company L*	A China-based Internet company offers research, development and operation of information security software, internet browser, mobile apps, online advertising services and internet value-added services across devices	3 years	10.7	3.4%	8.8	3.8%
Company M*	An Ireland-based global mobile casual game developer	2 years	7.3	2.3%	1.6	0.7%

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For the Six Months ended June 30, 2018

Customer	Background and principal business	Years of business relationship [#]	Revenues from the customer (US\$ in millions)	Revenues from the customer as a percentage of our total revenues	Costs paid to the customer (US\$ in millions)	Costs paid to the customer as a percentage of our total costs of sales
Company I*	A China-based mobile news and information content platform, focusing on content creation, aggregation and distribution	2 years	68.0	36.9%	0.7	0.5%
Company Y	A China-based short video and content app developer	2 years	5.6	3.0%	—	—
Company K	A Southeast Asian e-commerce company	3 years	5.2	2.8%	—	—
Company J	A mobile advertising company offering demographic targeting, analytics, advertising monetization support and consumer research services	3 years	4.2	2.3%	—	—
Company Z*	An international mobile game publisher	2 years	3.2	1.7%	0.006	0.004%

* overlapping customers and suppliers, i.e. who served as both our advertisers and publishers during the Track Record Period.

as of June 30, 2018.

During the Track Record Period, none of our Directors, their close associates or any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital) had any interest in any of our top five customers.

Top Suppliers

Our suppliers are primarily app developers that offer ad inventories for mobile advertising and need third-party services to help them match their available ad space to ad campaigns conducted by advertisers. Our suppliers also include network and IT service providers that provide Internet infrastructure services such as cloud computing. Our top five suppliers accounted for 14.7%, 14.1%, 18.9% and 40.7% of our total costs of sales for each of the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, respectively. We generally sign a framework agreement with our publisher who supply ad inventories. Traffic acquisition is made based on the needs in specific ad campaigns that we conduct for our advertisers and payment is made after we verify that relevant ad delivery performance requirements have been met. The framework agreement generally may be terminated by one party by giving prior notice to the other party.

The following tables set forth details of our top five suppliers during the Track Record Period.

For the Year ended December 31, 2015

Supplier	Background and principal business	Years of business relationship [#]	Costs paid to the supplier (US\$ in millions)	Costs paid to the supplier as a percentage of our total costs of sales	Revenues from the supplier (US\$ in millions)	Revenues from the supplier as a percentage of our total revenues
Company N *	A digital marketing agency specialized in overseas marketing and media service for Chinese companies	4 years	7.3	5.1%	0.6	0.4%
Company O *	A U.S.-based digital search engine and advertising company	3 years	4.4	3.0%	2.5	1.5%
Company P*	A Hong Kong-based mobile advertising agency, providing digital advertising experience for mobile campaign planning, management, and performance evaluation	3 years	3.9	2.7%	0.3	0.2%
Company Q*	An Israeli online software distributor, offering a complete ecosystem for downloaded apps including user acquisition, monetization, integrated analytics and optimization	3 years	3.0	2.1%	0.2	0.1%
Company D*	A Chinese internet security company	3 years	2.6	1.8%	12.8	7.6%

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For the Year ended December 31, 2016

Supplier	Background and principal business	Years of business relationship [#]	Costs paid to the supplier (US\$ in millions)	Costs paid to the supplier as a percentage of our total costs of sales	Revenues from the supplier (US\$ in millions)	Revenues from the supplier as a percentage of our total revenues
Company S	A Chinese smart phone camera app developer	3 years	7.3	3.4%	—	—
Company T*	A global mobile advertising technology company providing auto bots media buy services	4 years	6.7	3.1%	—	—
Company U	A China-based utility app developer	3 years	5.7	2.7%	—	—
Company D*	A Chinese Internet security company	3 years	5.3	2.5%	9.1	3.2%
Company O	A U.S.-based digital search engine and advertising company	3 years	5.2	2.4%	5.3	1.9%

For the Year ended December 31, 2017

Supplier	Background and principal business	Years of business relationship [#]	Costs paid to the supplier (US\$ in millions)	Costs paid to the supplier as a percentage of our total costs of sales	Revenues from the supplier (US\$ in millions)	Revenues from the supplier as a percentage of our total revenues
Company V	A Chinese partner company for a U.S. cloud computing service provider	3 years	15.4	6.7%	—	—
Company L*	A mobile advertising company and an official authorized reseller of Google and Facebook	3 years	8.8	3.8%	10.7	3.4%
Company X*	A mobile advertising company and an official authorized reseller of Google and Facebook	2 years	6.6	2.9%	0.8	0.2%
Company O	A U.S.-based digital search engine and advertising company	3 years	6.4	2.8%	1.2	0.4%
Company BB	A mobile ad network offering comprehensive media buy services	3 years	6.3	2.7%	—	—

For the Six Months Ended June 30, 2018

Supplier	Background and principal business	Years of business relationship [#]	Costs paid to the supplier (US\$ in millions)	Costs paid to the supplier as a percentage of our total costs of sales	Revenues from the supplier (US\$ in millions)	Revenues from the supplier as a percentage of our total revenues
Company O*	A U.S.-based digital search engine and advertising company	3 years	19.3	13.3%	0.2	0.1%
Company AA*	A China-based company offering brand management and marketing services	3 years	14.6	10.0%	0.3	0.2%
Company X*	A mobile advertising company and an official authorized reseller of Google and Facebook	2 years	10.7	7.4%	0.3	0.2%
Company V	A Chinese partner company for a U.S. cloud computing service provider	3 years	7.9	5.4%	—	—
Company B*	A China-based Internet company focusing on network advertising, search engine and network software	5 years	6.6	4.6%	0.1	0.1%

* overlapping customers and suppliers, i.e. who served as both our advertisers and publishers during the Track Record Period.

as of June 30, 2018.

Overlapping of Customers and Suppliers

We provide both mobile user acquisition services and monetization services to app developers. Therefore, some of our customers who use our mobile user acquisition services are also our suppliers who supply ad inventories, or vice-versa. The numbers of overlapping customers and suppliers were 54, 109, 96 and 80 in 2015, 2016, 2017 and the six months ended June 30, 2018, including some of our top five customers and suppliers. See “— Top Customers and Suppliers — Top Customers” and “— Top Customers and Suppliers — Top Suppliers” in this section. All of these overlapping customers and suppliers are companies that use both our mobile user acquisition services and monetization services. Negotiations of the terms of our

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sales to and purchases from these companies were conducted on an individual basis and the sales and purchases were neither inter-connected or inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from these companies were conducted in the ordinary course of business under normal commercial terms and on arm's length basis. The revenues from these companies as a percentage of our total revenues were 65.8%, 43.3%, 40.5% and 55.7% in 2015, 2016, 2017 and the six months ended June 30, 2018. The costs of sales from these companies as a percentage of our total costs of sales were 32.9%, 49.0%, 48.6% and 52.4% in 2015, 2016, 2017 and the six months ended June 30, 2018. The gross profit between the revenues and the costs of sales from these companies were in US\$62.4 million, US\$17.6 million, US\$14.7 million and US\$26.6 million in 2015, 2016, 2017 and the six months ended June 30, 2018.

EMPLOYEES

As of June 30, 2018, we had 12 offices worldwide with a total of 581 full-time employees, 329 of whom were based in Guangzhou, 182 of whom were based in Beijing, with the rest based in Hong Kong, Japan, Singapore, India, Denmark, the Netherlands, the United Kingdom and the United States. The table below sets forth our employees by functions as of June 30, 2018:

Function	Number of Employees	% of Total
Operations	150	25.8
Research and development	285	49.1
Sales, business development and marketing	50	8.6
Management, finance and administration	96	16.5
Total	581	100.0

We believe that maintaining a stable and motivated employee force is critical to the success of our business. As a fast growing company, we can provide our employees with ample career development choices and opportunities of advancement. We organize various training programs on a regular basis for our employees to enhance their knowledge, to improve time management skills and communications skills, and to strengthen their teamwork spirit. We also provide various incentives to better motivate our employees. We primarily recruit our employees through job fairs, employee referrals, industry referrals and online channels including our corporate website and social networking platforms. We undertake a strict interview process for recruitment purposes. We provide internal operational, technological and other training to our employees regularly.

As required by PRC laws and regulations, we have made contributions to the various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to mandatory housing accumulation funds, for or on behalf of our employees. We consider our relations with our employees to be good. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any strikes or labor disputes that had any material adverse effect to our operations. During the Track Record Period and up to the Latest Practicable Date, we had not used any third party labor dispatch service provider and all our employees were directly employed by us and were not subject to any collective bargaining agreement.

INSURANCE

We do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We do not maintain keyman life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties. We have purchased directors' and officers' liability insurance.

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During the Track Record Period, we did not make any material insurance claims in relation to our business. See “Risk Factors—Risks Relating to Our Business and Industry —We have not purchased any insurance to cover our main assets, properties and business and our limited insurance coverage could expose us to significant costs and business disruption” in this prospectus.

PROPERTY

As of the Latest Practicable Date, we leased 19 properties in the PRC, Hong Kong, Japan, India, Denmark, the United Kingdom and the United States with an aggregate gross floor area of approximately 9,000 square meters. Our leased properties are primarily used as premises for our offices. The relevant lease agreements have lease expiration dates ranging from 2019 to 2022, some with renewal options. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules.

As of the Latest Practicable Date, lessors of two of our leased properties in the PRC have not provided us with valid title certificates or relevant authorization documents evidencing its rights to lease the properties to us. As of the Latest Practicable Date, we are not aware of any incidents that have arisen due to the safety conditions of these properties and we are not aware that the relevant title certificates were not obtained due to the safety conditions of these properties.

According to PRC laws and regulations, in situations where a lessor lacks evidence of the title or the right to lease, the relevant lease agreement may not be valid or enforceable, and we may face challenges from third parties regarding our leasehold rights. See “Risk Factors—Risks Relating to Our Business and Industry—Certain of our leased property interests may be defective and could result in claims, monetary penalties, increased cost of operation or otherwise harm on our business” in this prospectus. Our Directors confirm that in the event that we are unable to enforce these leases and are required to relocate due to the defective titles of the leased properties or the invalidity of the lease agreements, we will be able to find substituted premises nearby. Our Directors are of the view that the defective titles will not individually or collectively have a material adverse impact on our business or financial condition because (i) as advised by our PRC Legal Advisor, we have the right to sue against each of the relevant lessor under the lease agreements to compensate us for losses incurred from such defective titles in accordance with the PRC Contract Law; (ii) we were not subject to any action, claim or investigation being conducted or threatened by any third parties or the competent government authorities with respect to the defects in our leased properties as of the Latest Practicable Date; (iii) we believe we can relocate in a timely manner at minimum expense given that these premises are primarily used for offices and not crucial to our core business.

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be filed with the relevant local branches of the PRC Ministry of Housing and Urban Development. As of the Latest Practicable Date, we had not completed filing for the nine properties we leased in the PRC, primarily due to the difficulty of procuring the relevant landlords’ cooperation to register such leases. Our PRC Legal Advisor has advised us that the lack of registration for the lease agreements will not affect the validity of such lease agreements under PRC law, however a maximum penalty of RMB10,000 may be imposed on each of the lessor and the tenant for each incident of non-compliance of lease registration requirement. The estimated aggregate maximum penalty is RMB90,000 with respect to the unregistered leases of properties leased by our Group. We are in the process of further liaising with the relevant landlords and will take all practicable and reasonable steps to ensure that the unregistered leases are registered.

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which require a valuation report with respect to all of our Group’s interests in land or buildings, for the reason that, as of June 30, 2018, none of the properties held or leased by us had a carrying amount of 15% or more of our combined total assets.

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OCCUPATIONAL HEALTH, WORK SAFETY AND ENVIRONMENTAL PROTECTION

We base our health and safety rules in our employee manual on government regulations and require all employees to follow these rules. During the Track Record Period and up to the Latest Practicable Date, there had not been any material incident concerning occupational health or safety, and we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental regulations.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings, including any bankruptcy or receivership proceedings, that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation. Our Directors are not involved in any actual or threatened claims or litigations. There are no material legal, arbitral or administrative proceedings before any court current or pending against, or involving the properties, or the businesses of our Company, which any of the properties or members of our Company is subject during the Track Record Period and the subsequent period up to the Latest Practicable Date. However, we may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of business.

During the Track Record Period, we also did not have any non-compliance with the laws or regulations which, in the opinion of our management, is likely to have a material adverse effect on our business, financial condition or results of operations. We understand from our legal advisors that we have complied with all relevant laws and regulations in all material respects during the Track Record Period and the subsequent period up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies, procedures and risk management methods that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems.

We have adopted and implemented comprehensive risk management policies in various aspects of our business operations such as financial reporting, information system, human resources and anti-corruption and anti-money laundering.

Risk Management

We are dedicated to the establishment and maintenance of a robust internal control system. We have adopted and implemented risk management policies and corporate governance measures in various aspects of our business operations such as financial reporting, information risk management, legal compliance and intellectual property rights management and human resources management.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies in connection with our financial reporting risk management. We provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented. As of June 30, 2018, our finance team consisted of 25 employees, and was headed by our chief financial officer, who has extensive experience in public company financial reporting. Other senior members of our finance department are all experienced in finance and accounting.

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Information Risk Management

We have adopted measures to protect data accumulated on our platform and prevent technical issues in our network infrastructure and information technology system. Our engineering department is responsible for protecting data and ensuring the stability of our network infrastructure and information technology system. As of June 30, 2018, our technology team consisted of 285 employees. Our technology team is currently led by two vice-presidents for technology, Mr. WU Feng and Mr. CAI Chao who have extensive experience in information technology industry. We use various information management systems in our operations. To ensure information security, employee access to internal information is restricted and employees are not allowed to access certain internal information without authorization. We have adopted internal policies to ensure that authorization is tailored to employee seniority and department function so that certain information can only be obtained on an as-needed basis. We have adopted various policies on database operation to prevent information leakage and loss of data. We also keep records of all database operations and non-routine database operations are not permitted unless such operations are necessary. We also use monitoring systems to monitor the data operating status of the server and alert relevant departments to abnormal situation. In addition, our daily maintenance, fire protection measures, access control system and other measures help maintain the physical condition of our network infrastructure. We also have a data back-up system through which our data are stored on servers of different locations to reduce the risk of data loss. Our engineering department conducts backup recovery tests regularly to examine the status of this back-up system. Further, our key full-time employees are required to sign confidentiality and non-compete agreements, pursuant to which they undertake to keep confidential data and operational, financial and product information of the Company that they obtain by virtue of their employment with our Company.

Operational Risk Management

Compliance with applicable laws and regulations, especially laws and regulations governing the Internet advertising industry, and protection of our intellectual property rights are major focus areas of our operational risk management. We have a dedicated legal team that is responsible for monitoring any changes in applicable laws and regulations and ensuring the ongoing compliance of our operations with applicable laws and regulations. Our legal team also works with our external legal counsel to ensure that we have obtained and maintain all the necessary permits and licenses required for our operations. In situations where the relevant laws and regulations are not clear as to what action should or should not be taken, we take the conservative approach to avoid any potential compliance issues.

Human Resource Risk Management

We have established internal control policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We adopt high standards in recruitment with strict procedures to ensure the quality of new hires. We provide specialized trainings tailored to the needs of our employees in different departments. Our employee handbook contains guidelines regarding best commercial practice, work ethics and prevention of fraud, negligence and corruption. We have also made available an anonymous reporting channel through which potential violations of our internal policies or illegal acts at all levels of our Group can be timely reported to management and appropriate measures can be taken to minimize damage.

Anti-corruption, Anti-money Laundering and Sanctions Related Measures

For anti-corruption and anti-money laundering, we have implemented internal anti-fraud and reporting mechanisms to better monitor suspicious transactions and standardize reporting procedures, which primarily set out: (i) organizing periodic internal employee training sessions to educate and improve awareness of our employees in identifying and reporting sensitive incidents; (ii) setting up a two-layer review process by both our internal audit department and our Board for major transactions and related party transactions; (iii) maintaining email and phone hotlines to receive and process reports from employees and external third parties; and (iv) designating the Board in supervising our overall anti-corruption and anti-money laundering procedures.

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To better be in compliance with sanctions laws, (i) our compliance department and finance department have issued policies on intake procedures for cooperating parties in high-risk areas, (ii) we have compiled a sanctions list, which composes of an OFAC sanctioned countries list and Non-Cooperative Countries and Territories list, according to which any business partners from such lists shall be excluded from cooperating with us in any transactions, and (iii) our risk management department has been in charge of carrying out such policies and supervising the implementation of our subsidiaries.

Corporate Governance Measures

We have established an Audit and Risk Management Committee on our Board, the primary duties of which are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process and performing other duties and responsibilities as assigned by our Board. The Audit and Risk Management Committee consists of three independent non-executive Directors and its chairman has appropriate professional qualifications.

Ongoing Measures to Monitor the Implementation of Risk Management Policies

Our Audit and Risk Management Committee and senior management monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our operations.

LICENSES AND PERMITS

Our PRC Legal Advisor has advised us that, and based on our consultation with relevant overseas counsels we understand that, during the Track Record Period and the subsequent period up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from the relevant government authorities that are material for our business operations and such licenses, approvals and permits remained in full effect, and no circumstances existed that would render their revocation or cancellation. Our PRC Legal Advisor has advised us that, and based on our consultation with relevant overseas counsels, we understand that, other than general licenses or permits in the ordinary course of business that are required for companies, we are not required to obtain any business-or-industry-specific licenses or permits in China or the major overseas jurisdictions from which we generate our revenue. Specifically, our PRC Legal Advisor has advised that, we are not required to obtain an Internet Culture Business License.

Pursuant to the Interim Administrative Provisions on Internet Culture (《互聯網文化管理暫行規定》), or the “**Internet Culture Provisions**,” adopted on February 11, 2011 and amended on December 15, 2017, companies engaging in for-profit Internet cultural business are required to obtain an Internet Culture Business License. “For-profit Internet cultural business” is defined as business activities that provide Internet cultural products and services and make profits (i) by charging fees from the Internet users, or (ii) through e-commerce, advertisement, sponsorship and other similar activities. “Internet cultural activities” refer to the activities carried out for providing Internet cultural products and services, which mainly include: (i) the activities of producing, reproducing, importing, publishing or broadcasting Internet cultural products; (ii) the online distribution acts of publishing cultural products on the Internet or sending cultural products through the Internet, mobile communication networks and other information networks to such user terminals as computers, telephones, mobile phones, televisions and game players, and Internet cafes and other business premises of Internet service for users’ to browse, use or download; and (iii) exhibition and competition activities of Internet cultural products. “Internet cultural products” refer to the cultural products produced, spread and distributed through the Internet, which mainly include: (i) Internet cultural products specially produced for the Internet, including but not limited to, online music entertainment, online games, online shows and plays (programs), online performances, online artworks and online cartoons; and (ii) Internet cultural products produced from cultural products described in (i) above by using certain technological means and reproduced on the Internet for dissemination. In the PRC, as we act solely as a third-party platform which

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transmits advertisers' ads to the publishers' apps, rather than providing any specific Internet cultural products, we are not engaged in any business activities that fall within the definition of "for-profit Internet cultural business" under the Internet Culture Provisions. Therefore, we are not required to obtain an Internet Culture Business License.

To further ascertain whether our PRC mobile advertising business falls under the stipulated scope of for-profit Internet cultural business pursuant to the Internet Culture Provisions, we, together with the Joint Sponsors and the Joint Sponsors' PRC legal advisers conducted an on-site interview with a senior section officer as a proper representative of Guangdong Provincial Department of Culture (廣東省文化廳) (the "**Department**"), the local culture authority at provincial level, on September 20, 2018. This officer confirmed in writing that (i) the Department is the competent PRC authority for examining and approving applications for Internet Culture Business Licenses according to the Internet Culture Provisions; and (ii) we are not required to obtain an Internet Culture License for our PRC mobile advertising business.

In addition, our PRC Legal Advisor has also advised that our business does not fall within the "restricted" or "prohibited" categories for foreign investment and is not subject to foreign ownership restrictions under the Catalogue of Industries for Guiding Foreign Investment (Revision 2017) (外商投資產業指導目錄 (2017年修訂)), the Special Administrative Measure on Access to Foreign Investment 2018 (外商投資准入特別管理措施 (負面清單) (2018)) and other applicable PRC laws and regulations.

AWARDS AND RECOGNITION

During the Track Record Period, we received various awards and recognitions, including the following:

Award/Recognition	Award Date	Awarding Institution/Authority
2016 Guangzhou Enterprise Research and Development Institution	2016	Guangzhou Science and Technology Innovation Committee
Leading Entrepreneurship Talent (in recognition of Mr. DUAN Wei)	November 2016	Chinese Communist Party Committee of Tianhe District of Guangzhou and Tianhe District Government
2017 "Tianfu" Award - Top Mobile Game Marketing Platform	November 2017	The Sixth Global Mobile Game Confederation (GMGC) Conference
2016 Guangzhou Leading Innovative Enterprise	November 2017	Guangzhou Municipal Government
2017 "Lingmou" Award - Top Ten Influential Service Platform Going Overseas	December 2017	2017 Global Mobile Marketing Summit (MS2017)
2017 Best Mobile Marketing Company	April 2017	The 3rd Global Mobile Marketing Summit (WMMS)
2017 Guangdong "Unicorn" Innovative Enterprise	January 2018	Guangzhou Technology Innovation Enterprise Association
2017 Guangdong High-tech Enterprise Guangdong	April 2018	Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, State Tax Bureau of Guangdong Province and Local Tax Bureau of Guangdong Province

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

As of the date of this prospectus, Guangzhou Mobvista, through its wholly-owned subsidiary Seamless, indirectly owns 94% of our issued share capital. Mr. Duan, one of our co-founders, is interested in an aggregate of 35.11% interest in Guangzhou Mobvista, being the single largest shareholder of Guangzhou Mobvista. See “Substantial Shareholders” in this prospectus for details of Mr. Duan’s interest in Guangzhou Mobvista. As such, Seamless, Guangzhou Mobvista and Mr. Duan are our Controlling Shareholders as of the date of this prospectus.

Immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme), Guangzhou Mobvista, through Seamless, will indirectly own 74.3% of our enlarged issued share capital. Mr. Duan is expected to remain as the single largest shareholder of Guangzhou Mobvista, holding an aggregate of 35.11% interest in Guangzhou Mobvista. Accordingly, Seamless, Guangzhou Mobvista and Mr. Duan will remain as our Controlling Shareholders upon Listing.

Guangzhou Mobvista is a company established in the PRC and listed on the NEEQ since 2015. Seamless is an intermediate holding company incorporated in the BVI and wholly owned by Guangzhou Mobvista. As of the Latest Practicable Date, apart from their interests in our Company, none of Seamless, Guangzhou Mobvista, and Mr. Duan had any interest in a business that competes or is likely to compete, either directly or indirectly, with our Group’s business.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are able to carry on our business independently from our Controlling Shareholders after the Listing.

Clear Business Delineation between Our Group and the Retained Guangzhou Mobvista Group

Following completion of the Reorganization, all of the core entities and operations in connection with our mobile advertising and mobile analytics business had been injected into our Group, and our Group and the Retained Guangzhou Mobvista Group will be engaged in business of different nature. Our Group will operate the mobile advertising and mobile analytics business, focusing on the provision of mobile user acquisition, monetization and analytics services to app developers globally, whereas the Retained Guangzhou Mobvista Group will primarily engage in the property leasing business and investment holding business, (while holding only minority interests in companies primarily engaged in software development and operation. See “History and Corporate Structure” in this prospectus.

Considering the significant differences in business nature, industry landscape, customer base and the management skillset required between (i) our mobile advertising and mobile analytics business, and (ii) our property leasing and investment holding businesses, we believe there is a clear delineation of business between our Group and the Retained Guangzhou Mobvista Group upon Listing, and it is reasonable and in the interests of the Shareholders (i) to manage the mobile advertising and mobile analytics business and property leasing and investment holding businesses under different corporate structures, and (ii) for the Group to focus on the operations and development of our mobile advertising and mobile analytics business, which has been our core business since our inception.

Management Independence

Our business is managed by our Board and senior management. Upon Listing, our Company and Guangzhou Mobvista will have separate boards of directors and senior management teams that will function independently of each other. Save for Mr. Duan, none of our Directors will serve on the board of Guangzhou Mobvista upon Listing. Additionally, save for Mr. Duan, none of our senior management members will serve as a director or senior management member of Guangzhou Mobvista upon Listing. Although Mr. Duan will

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

remain as a director of Guangzhou Mobvista, he will only be in charge of the overall planning and strategic directions of Guangzhou Mobvista, and will not be involved in the daily operations of Guangzhou Mobvista. It is expected that Mr. Duan will allocate the majority of his time to discharge his duties as an executive Director and the chief executive officer of our Company, and accordingly, he will be able to devote sufficient time and effort to the management of the affairs of our Group. If any potential conflict of interests arises due to Mr. Duan's position with Guangzhou Mobvista, including in relation to any potential connected transactions of our Group with Guangzhou Mobvista, Mr. Duan will report such conflict of interest to the Board and will refrain from acting upon the conflict and voting on or approving such matter in his capacity as a Director at the relevant Board meeting in compliance with applicable laws and regulations, including the Listing Rules.

Furthermore, our independent non-executive Directors have extensive experience in corporate management and development, including in listed companies, and have been appointed to ensure the decisions of our Board are made only after due consideration of independent and impartial opinions, and our Board acts collectively and makes decisions in accordance with the Articles and applicable laws and regulations, such that no single Director or Controlling Shareholder is able to make any decisions unilaterally without authorization by our Board.

Based on the above, our Directors believe that our Board together with our senior management team are able to perform their managerial roles in our Group independently of Guangzhou Mobvista.

Operational Independence

Our Group is operationally independent of our Controlling Shareholders. We have established our own organizational structure, and each department is assigned to specific areas of responsibilities. Save as disclosed in the section headed "Connected Transactions — Fully-exempt Continuing Connected Transactions — Trademark Licensing Agreement" in this prospectus, our Company (through our subsidiaries) holds or enjoys the benefits of all relevant licenses and intellectual properties necessary to carry on our business. We have sufficient capital, and our own facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and an independent management team to operate our business.

Upon Listing, we will continue to rent office premises for our operations from the Retained Guangzhou Mobvista Group, which will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules. See "Connected Transactions" in this prospectus. Our Directors are of the view that such office premises can be easily replaced by other comparable premises with comparable rentals, without any material disruptions to our operations.

Based on the above, our Directors believe that we will be able to operate independently from our Controlling Shareholders upon Listing.

Financial Independence

Our Group has an independent financial system and makes financial decisions according to our own business needs. We have independent internal control and accounting systems and an independent finance department responsible for discharging the treasury function. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders.

No loans or guarantees provided by, or granted to, our Controlling Shareholders or their associates will be outstanding upon Listing.

Based on the above, our Directors are of the view that we will be financially independent of our Controlling Shareholders upon Listing.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS' AND DIRECTORS' INTERESTS IN OTHER BUSINESSES

Our Controlling Shareholders and our Directors confirm that as of the Latest Practicable Date, they do not have any interest in any business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

DEED OF NON-COMPETITION

On October 31, 2018, each of our Controlling Shareholders executed a deed of non-competition (the “**Deed of Non-Competition**”) in favour of our Group, setting out certain undertakings including, among other things:

- (a) each of our Controlling Shareholders will not, and shall procure that its/his associates (excluding our Group) will not, whether as a principal or agent and whether undertaken directly or indirectly (including through any corporate, partnership, joint venture or other contractual arrangement) and whether for profit or otherwise, carry on, engage, invest, participate or otherwise be interested in the mobile advertising and mobile analytics business as described in this prospectus that is currently or intended to be carried on by us, in any part of the world (the “**Restricted Business**”);
- (b) each of our Controlling Shareholders will not, and shall procure that its/his associates (excluding our Group) will not, exploit its/his knowledge or information or technology obtained from us to compete, directly or indirectly, with the Restricted Business currently carried on and as may be carried on by us from time to time;
- (c) each of our Controlling Shareholders will not, and shall procure that its/his associates (excluding our Group) will not, directly or indirectly, take any other action which constitutes an intentional undue interference with or a disruption of the Restricted Business currently carried on and as may be carried on by our Group from time to time;
- (d) in the event that any of our Controlling Shareholders or any of its/his associates (excluding our Group) is offered or becomes aware of any business investment or commercial opportunity directly or indirectly relating to a Restricted Business, it/he:
 - (i) shall promptly notify us in writing and refer such business investment or commercial opportunity to us for consideration and provide such information as may be reasonably required by us in order to make an informed assessment of such business investment or commercial opportunity; and
 - (ii) shall not, and shall procure that its/his associates (excluding our Group) will not, invest or participate in any such business investment or commercial opportunity unless such business investment or commercial opportunity shall have been rejected by us in writing and the principal terms of which any of our Controlling Shareholders, or its/his associates (excluding our Group) invest or participate are no more favorable than those made available to us and such terms shall be fully disclosed to us prior to consummation of such rejected opportunities;
- (e) each of our Controlling Shareholders shall not and shall procure that none of its/his associates (excluding our Group) will:
 - (i) at any time induce or attempt to induce any director, manager or employee or consultant of any member of us to terminate his or her employment or consultancy (as appropriate) with us, whether or not such act of that person would constitute a breach of that person’s contract of employment or consultancy (as appropriate); or
 - (ii) alone or jointly with any other person, as principal or agent for or shareholder in any person, firm or company, in competition, directly or indirectly, with any member of us, (1) canvass, solicit or accept orders from or do business with any person in relation to the Restricted Business with whom any member of our Group has done business in relation to the Restricted Business or (2) solicit or persuade any person who has dealt with us, or is in the process of negotiating with us, in relation to the Restricted Business (a) to cease to deal with

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us, in relation to the Restricted Business or (b) to reduce the amount of business in relation to the Restricted Business which the person would normally do with us or (c) to seek to improve their terms of trade with any member of us in relation to the Restricted Business;

- (f) the independent non-executive Directors will review, on an annual basis, our Controlling Shareholders' compliance with the Deed of Non-Competition. The decisions on matters reviewed by our independent non-executive Directors relating to the compliance with and the enforcement of the Deed of Non-Competition (if any) will be disclosed in our annual report or, where our Board considers it appropriate, by way of an announcement. The disclosure on how the Deed of Non-Competition was complied with and enforced is consistent with the principles of making voluntary disclosures in the Corporate Governance Report to be contained in our annual report pursuant to the Listing Rules.

The Deed of Non-Competition is effective from the Listing Date to the date on which our Shares cease to be listed on the Stock Exchange.

The Deed of Non-Competition shall not restrict any of our Controlling Shareholders and/or any of its/his associates (excluding our Group), either by itself/himself or any other person, from holding interests in the shares of a company which is listed on a recognized stock exchange provided that:

- (a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or
- (b) the total number of the shares held by our Controlling Shareholders and/or any of its/his associates (excluding our Group) in aggregate does not exceed 10% of the issued shares of that class of the company in question and our Controlling Shareholders and/or any of its/his associates (excluding our Group) are not entitled to appoint any directors of that company.

CORPORATE GOVERNANCE MEASURES

Save as disclosed in the section headed "Directors and Senior Management — Code Provision A.2.1 of the Corporate Governance Code" in this prospectus, our Company will comply with the provision of the Corporate Governance Code in Appendix 14 to the Listing Rules, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of his/her associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with a Controlling Shareholder or any of his/her associates, our Company will comply with the applicable Listing Rules;
- (c) our Board include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors who possess sufficient experience and are free from any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in the section headed "Directors and Senior Management — Board of Directors — Independent non-executive Directors" in this prospectus;

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- (d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and
- (e) we have appointed Guotai Junan Capital Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.

CONNECTED TRANSACTIONS

OVERVIEW

We have entered into the continuing agreements with our connected persons in our ordinary and usual course of business as set out below. Upon Listing, these transactions will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

The table below sets forth parties who will become our connected persons upon Listing and the nature of their connection with us:

Name	Connected relationship
Guangzhou Mobvista	Guangzhou Mobvista is and will remain a Controlling Shareholder of our Company after the Listing
Guangzhou Ruisou.	Guangzhou Ruisou is a wholly-owned subsidiary of Guangzhou Mobvista
Guangzhou Huichun.	Guangzhou Huichun is indirectly wholly-owned by Mr. Cao, one of our executive Directors
Duanshi Investment	Duanshi Investment is indirectly wholly-owned by Mr. Duan, our chairman, executive Director and a Controlling Shareholder of our Company

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transaction	Applicable Listing Rule	Waiver sought	Proposed annual cap for the year ending December 31,		
			2018	2019	2020
<i>A Fully-exempt continuing connected transactions</i>					
Trademark licensing agreement with Guangzhou Mobvista . .	Rule 14A.76(1)	N/A	N/A	N/A	N/A
<i>B Non-exempt continuing connected transactions</i>					
Property lease agreements with Guangzhou Mobvista, Guangzhou Ruisou, Guangzhou Huichun, and Duanshi Investment, respectively	Rule 14A.35 Rule 14A.76(2)	Announcement requirement	RMB3.4 million (equivalent to US\$0.5 million)	RMB21.1 million (equivalent to US\$3.0 million)	RMB22.2 million (equivalent to US\$3.2 million)

CONNECTED TRANSACTIONS

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We set out below a summary of the continuing connected transactions of our Group which are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. Trademark Licensing Agreement

On July 1, 2018, MIT HK entered into a trademark licensing agreement (the “**Trademark Licensing Agreement**”) with Guangzhou Mobvista, pursuant to which Guangzhou Mobvista agreed to grant an exclusive license to MIT HK to use its trademark “**汇量科技**” in connection with its business operations for a term of three years commencing from the date on which the agreement becomes effective and subject to renewal. The trademark license is granted for nil consideration.

The above-mentioned transaction is conducted in the ordinary and usual course of business on normal commercial terms or on terms more favorable to our Group, and our Directors currently expect that each of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will not exceed 0.1%. Pursuant to Rule 14A.76(1) of the Listing Rules, the transaction will be fully exempt from all disclosure, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following transactions are made in the ordinary course and usual course of business and on normal commercial terms where the highest applicable percentage ratio (other than the profit ratio) calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1%, but less than 5% on an annual basis. Accordingly, those transactions are exempted from the independent shareholders' approval requirement but are subject to the reporting, announcement and annual review requirements pursuant to Rule 14A.76(2) of the Listing Rules.

1. Property Lease Agreements

Description of the Agreement

We entered into four property lease agreements with Guangzhou Mobvista, Guangzhou Ruisou, Guangzhou Huichun, and Duanshi Investment, respectively (together the “**Property Lease Agreements**”), on July 1, 2018 and further amended on September 28, 2018. Pursuant to the Property Lease Agreements, Guangzhou Mobvista, Guangzhou Ruisou, Guangzhou Huichun, and Duanshi Investment leased certain properties to our Group with a total area of approximately 5,573 square meters.

The principal terms of Property Lease Agreements of which are set out as follows:

Contracting Parties	Location	Approximate gross floor area (sq.m.)	Approximate Monthly Rental	Intended use	Duration of agreement
Mobvista Technology (as tenant) and Guangzhou Mobvista (as landlord)	Unit 01, 44/F, Tianying Plaza (East Tower), No. 222-3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	234	2018: RMB65,476.8 (equivalent to US\$9,439.7) 2019: RMB67,113.7 (equivalent to US\$9,675.7) 2020: RMB70,469.4 (equivalent to US\$10,159.4)	Office	Three years

CONNECTED TRANSACTIONS

Contracting Parties	Location	Approximate gross floor area (sq.m.)	Approximate Monthly Rental	Intended use	Duration of agreement
Mobvista Technology (as tenant) and Guangzhou Ruisou (as landlord)	Units 02-04 and 06-12 of 44/F, and Units 01-04 and 06-12 of 43/F, Tianying Plaza (East Tower), No. 222-3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	4,719	2018: RMB1,321,427.2 (equivalent to US\$190,507.7) 2019: RMB1,354,462.9 (equivalent to US\$195,270.4) 2020: RMB1,422,186.0 (equivalent to US\$205,033.9)	Office	Three years
Mobvista Technology (as tenant) and Guangzhou Huichun (as landlord)	Unit 05, 43/F, Tianying Plaza (East Tower), No. 222-3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	310	2018: RMB86,906.7 (equivalent to US\$12,529.2) 2019: RMB89,079.4 (equivalent to US\$12,842.4) 2020: RMB93,533.3 (equivalent to US\$13,484.5)	Office	Three years
Mobvista Technology (as tenant) and Duanshi Investment (as landlord)	Unit 05, 44/F, Tianying Plaza (East Tower), No. 222-3, Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, PRC	310	2018: RMB86,744.7 (equivalent to US\$12,505.8) 2019: RMB88,913.3 (equivalent to US\$12,818.5) 2020: RMB93,359.0 (equivalent to US\$13,459.4)	Office	Three years

Reasons for the Transactions

For purpose of its business operations, our Group needs to rent office premises, and Guangzhou Mobvista, Guangzhou Ruisou, Guangzhou Huichun, and Duanshi Investment own the properties that suit our business needs.

Pricing Policy

The rentals payable by our Group under each of the Property Lease Agreements are fixed amounts payable on a monthly basis. The rentals were negotiated on arm's length basis and on normal commercial terms by the contracting parties, with reference to at least two quotations provided by independent third parties for the lease of comparable properties of similar conditions at the same location.

The Joint Sponsors agree with the Directors' view that the pricing for such leased properties are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

CONNECTED TRANSACTIONS

Historical amount

During the Track Record Period and up to the Latest Practicable Date, Mobvista Technology shared certain office premises of Guangzhou Mobvista in Guangzhou, of which an area totaling approximately 3,500 square meters was occupied by the Group. As a result of such arrangement, the Group did not incur any lease payment under the Property Lease Agreements during the Track Record Period.

However, in anticipation of the Listing and the expanding business scale and growing headcount of the Group, the Group decided to relocate to different office premises in Guangzhou of approximately 5,573 square meters which is larger in size and can solely be utilized by the Group and separated from Guangzhou Mobvista. Therefore, the Group entered into the Property Lease Agreements on normal commercial terms with the term of lease starting from November 2018.

Annual caps

For the years ending December 31, 2018, 2019 and 2020, the total amount of the rental to be paid by our Group to Guangzhou Mobvista, Guangzhou Ruisou, Guangzhou Huichun and Duanshi Investment under the Property Lease Agreements shall not exceed the following caps:

	Proposed annual caps for the year ending December 31, ⁽¹⁾		
	2018	2019	2020
Rentals payable by our Group to Guangzhou Mobvista, Guangzhou Ruisou, Guangzhou Huichun, and Duanshi Investment.	RMB3.4 million ⁽²⁾ (equivalent to US\$0.5 million)	RMB21.1 million (equivalent to US\$3.0 million)	RMB22.2 million (equivalent to US\$3.2 million)

Note:

- (1) All the amounts in the above table are presented in millions and have been rounded to the nearest thousands in whole numbers.
- (2) The proposed annual cap for the year ending December 31, 2018 is calculated considering the estimated length of the lease period for such year.

Basis for calculation of annual caps

When estimating the annual caps, our Directors have considered (i) the rentals payable under the Property Lease Agreements, (ii) the estimated length of the lease period for each year, (iii) any rental adjustment mechanism as set out in the Property Lease Agreements, in particular, the landlords' right under the Property Lease Agreements to adjust the monthly rentals based on increases in the prevailing market price of the lease of comparable properties of similar conditions at the same location of the properties leased by our Group, and (iv) the future development of the property market in the PRC.

Listing Rules implications

The above-mentioned transactions are conducted in the ordinary and usual course of business on normal commercial terms or on terms more favourable to our Group, and our Directors currently expect the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual and aggregate basis. Under Rule 14A.76(2) of the Listing Rules, the transaction will be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but will be exempted from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

APPLICATION FOR A WAIVER

We expect that the non-exempt continuing connected transactions disclosed above will be carried out on a continuing basis and will extend over a period of time, and our Directors consider that strict compliance with the announcement requirement under the Listing Rules would be impractical, unduly burdensome and would impose unnecessary administrative costs on our Company.

Accordingly, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules once the Shares are listed on the Stock Exchange in respect of such non-exempt continuing connected transactions. We will comply at all times with the relevant provisions under Chapter 14A of the Listing Rules in respect of such non-exempt continuing connected transactions, apart from the announcement requirement from which the waiver is sought.

CONFIRMATION FROM THE DIRECTORS

Our Directors (including the independent non-executive Directors) believe that the non-exempt continuing connected transactions set out above have been entered into in our ordinary and usual course of business on normal commercial terms or better which are fair and reasonable and in the interests of our Group and our Shareholders as a whole, and the proposed annual caps in respect of continuing connected transactions are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have reviewed the relevant information prepared and provided by our Company and market data provided by independent third parties relating to the non-exempt continuing connected transactions described in this section, and have obtained confirmations from our Company. Based on the Joint Sponsors' due diligence, the Joint Sponsors are of the view that (i) the non-exempt continuing connected transactions set out above have been and will be entered into during our Company's ordinary and usual course of business on normal commercial terms or better, and are fair and reasonable and in the interest of our Group and our Shareholders as a whole; and (ii) the proposed annual caps of such transactions are fair and reasonable and in the interest of our Group and our Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

GENERAL

Board of Directors

The following table sets forth information about our Directors:

Name	Age	Position	Roles and Responsibilities	Date of joining the Group	Date of appointment as Director	Relationship with other Directors or senior management members
Mr. DUAN Wei (段威)	32	Executive Director and chairman of the Board	Overall strategic planning and business direction of the Group and chairman of our nomination committee	November 2013	April 16, 2018	None
Mr. CAO Xiaohuan (曹曉歡)	33	Executive Director	Overall management of the operations of the Group and a member of our remuneration committee	August 2014	April 16, 2018	None
Mr. XI Yuan (奚原)	33	Executive Director	Business development of advertising department of the Group	November 2013	June 13, 2018	None
Mr. FANG Zikai (方子愷) . .	34	Executive Director	Product research and management of advertising business line of the Group	July 2015	June 13, 2018	None
Mr. YING Lei (應雷)	49	Independent non-executive Director	Providing independent advice and judgment to our Board, a member of our audit committee and nomination committee and the chairman of our remuneration committee	October 2018	October 31, 2018	None
Mr. WANG Jianxin (王建新)	48	Independent non-executive Director	Providing independent advice and judgment to our Board and the chairman of our audit committee	October 2018	October 31, 2018	None
Mr. HU Jie (胡杰)	43	Independent non-executive Director	Providing independent advice and judgment to our Board, a member of our audit committee, remuneration committee and nomination committee	October 2018	October 31, 2018	None

DIRECTORS AND SENIOR MANAGEMENT

Senior Management

The following table sets forth information about the senior management team of our Group (including our executive Directors):

Name	Age	Position in our Company	Roles and Responsibilities	Date of joining our Group	Date of appointment	Relationship with other Directors or senior management members
Mr. DUAN Wei (段威) . . .	32	Chief executive officer	Overall strategic planning and business direction of the Group	November 2013	June 18, 2018	None
Mr. CAO Xiaohuan (曹曉歡)	33	President	Overall management of the operations of the Group	August 2014	June 18, 2018	None
Mr. XI Yuan (奚原)	33	Vice president	Business development of advertising department of the Group	November 2013	June 18, 2018	None
Mr. FANG Zikai (方子愷) . .	34	Chief product officer	Product research and management of advertising business line of the Group	July 2015	June 18, 2018	None
Mr. SONG Xiaofei (宋笑飛)	32	Chief financial officer	Overall financial management of the Group	April 2015	June 18, 2018	None
Mr. CHEN Qiaofeng (陳巧鋒)	33	Vice president	Overall business management of greater China	June 2014	June 18, 2018	None
Mr. LI Tianhui (黎田輝) . . .	37	Human resources director	Overall management of human resources	December 2014	June 18, 2018	None
Ms. YANG Ying (楊瑩) . . .	28	Head of Southeast Asia and Europe regions	Management of Asian and European business development teams	March 2014	June 18, 2018	None

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon Listing, our Board will consist of seven Directors, including four executive Directors, and three independent non-executive Directors.

Executive Directors

Mr. DUAN Wei (段威), aged 32, is one of our co-founders, an executive Director, the chairman of the Board and chief executive officer of the Company. Mr. Duan is responsible for overall strategic planning and business direction of the Group. He served as the chief executive officer of Guangzhou Gamo from November 2013 to May 2015, and the chairman of the board and general manager of Guangzhou Huitao (the predecessor of Guangzhou Mobvista) from May 2015 to July 2015. Since July 2015, he has been serving as the chairman of the board of Guangzhou Mobvista. He served as the general manager of Guangzhou Mobvista from July 2015 until November 2018.

Mr. Duan currently holds positions in various subsidiaries of our Group. He has been serving as the director and chief executive officer of MIT HK since December 2014 and the director of Adlogic Technology Pte. Ltd. since October 2015. He also served as the chairman of the board and general manager of Mobvista Technology from April 2015 to August 2016, and subsequently serves as the executive director and general manager since August 2016.

Additionally, Mr. Duan has been serving as (i) the executive director of Duanshi Investment since July 2017, (ii) the executive director of Guangzhou Huimu Asset Management Co., Ltd.* (廣州匯沐資產管理有限公司) since April 2017, (iii) the executive director of Horgos Duanshi Pearl River Equity Investment Co., Ltd. since February 2017, (iv) the executive director of Guangzhou Huisui since January 2017, and (v) the delegated representative of the executive partner of Guangzhou Huimao since May 2015. Furthermore, Mr. Duan worked in Guangzhou Dongjing Computer Technology Co. Ltd.* (廣州動景計算機科技有限公司), which owns www.uc.cn and software copyright of UC Browser, from January 2010 to August 2013. From August 2008 to December 2009, Mr. Duan served as a product manager in Huawei Software Technologies Co., Ltd.* (華為軟件技術有限公司).

Mr. Duan obtained his bachelor's degree in system science and engineering from Zhejiang University (浙江大學) in June 2008.

Mr. CAO Xiaohuan (曹曉歡), aged 33, is one of our co-founders, an executive Director and the president of the Company, who is mainly responsible for overall management of the operations of the Group. Mr. Cao joined us in August 2014 as the vice president of Guangzhou Gamo, a position which he served from August 2014 to May 2015. From May 2015 to July 2015, Mr. Cao served as the director and the vice general manager of Guangzhou Huitao. In addition, he served as a director and the vice general manager of Guangzhou Mobvista from July 2015 until November 2018 and as the secretary of the board of Guangzhou Mobvista from July 2015 to October 2016.

Mr. Cao currently holds positions in various subsidiaries of our Group. He has been serving as the director and chief financial officer of MIT HK since December 2014, the director of Advertter Technology Company Limited since June 2015 and the director of Adlogic Technology Pte. Ltd. since October 2015. He also served as an director of Mobvista Technology from April 2015 to August 2016.

Additionally, he has been serving as (i) the executive director of Guangzhou Huichun since July 2017, (ii) the executive director of Horgos Huichun Equity Investment Co., Ltd.* (霍爾果斯匯淳股權投資有限公司) since December 2016, and (iii) the executive partner of Guangzhou Huiqian since November 2015. Furthermore, Mr. Cao served as an investment director at Suzhou Industrial Park Oriza Yuandian Venture Capital Management Co., Ltd. (蘇州工業園區元禾原點創業投資管理有限公司) from November 2013 to July 2014, where he was primarily responsible for the company's foreign investment and mergers and

DIRECTORS AND SENIOR MANAGEMENT

acquisitions. From August 2011 to November 2013, Mr. Cao served as an investment director at China-Singapore Suzhou Industrial Park Ventures Co., Ltd. (中新蘇州工業園區創業投資有限公司), where he was primarily responsible for the company's foreign investment and mergers and acquisitions, as well as the early investment and project management in semiconductor and TMT industry.

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

Mr. XI Yuan (奚原), aged 33, is an executive Director and the vice president of our Company, primarily responsible for the business development of advertising department. Mr. Xi joined us in November 2013 as the business manager of the advertising department of Guangzhou Gamo, a position which he served from November 2013 to May 2015. From May 2015 to July 2015, he served as the general manager of Beijing region of Guangzhou Huitao. From July 2015 to February 2016, Mr. Xi served as the general manager of Beijing region and a supervisor of Guangzhou Mobvista, and he also served as a director and vice general manager of Guangzhou Mobvista from February 2016 until November 2018.

Mr. Xi currently holds positions in various subsidiaries of the Group. He has been serving as the vice president of MIT HK since December 2014, the director of MIT HK since May 2016, and the chief executive officer of nativeX, LLC since July 2016.

Before joining us, Mr. Xi served as the delivery director of the major client department at Huawei Technologies Co., Ltd.* (華為技術有限公司) from August 2010 to November 2013, where he was primarily responsible for maintenance of network quality and after-sales delivery for the company's major clients.

Mr. Xi received his bachelor's degree in communication engineering in June 2007 from Southwest Jiaotong University (西南交通大學), and later obtained a master's degree of micro-electronics and solid-state electronics in June 2010 from the same university.

Mr. FANG Zikai (方子愷), aged 34, is an executive Director and the chief product officer of the Company, primarily responsible for product research and management of the advertising business line of the Group. He joined the Group in July 2015 as the vice president of products of Mobvista Technology. He served as the vice president of products of Guangzhou Mobvista from July 2015 until November 2018 and as the vice general manager of Guangzhou Mobvista from February 2016 until November 2018.

Before joining us, Mr. Fang worked as a senior product specialist at Taobao (China) Software Co., Ltd.* (淘寶(中國)軟件有限公司) until July 2015. From 2012 to 2013, he worked at Umeng Tongxin (Beijing) Technology Ltd.* (友盟同欣(北京)科技有限公司). Prior to that, Mr. Fang worked at Beijing Baidu Network Information Technology Co., Ltd.* (北京百度網訊科技有限公司) from January 2010 to March 2011, primarily responsible for the search and promotion of business line and participated in the optimization system designing project.

Mr. Fang received his bachelor's degree from Zhejiang University (浙江大學) in June 2007, majoring in mathematics and applied mathematics and later obtained a master's degree of arts from University of Pittsburgh in April 2009.

Independent non-executive Directors

Mr. YING Lei (應雷), aged 49, was appointed as an independent non-executive Director of our Group in October 2018. He is responsible for providing independent advice and judgment to our Board.

Mr. Ying has been serving as an independent non-executive director of Guangzhou Mobvista since May 2017. From December 2013 to April 2016, Mr. Ying served as the independent director of China CYTS Tours Holding Co., Ltd.* (中青旅控股股份有限公司) (Shanghai Stock Exchange Stock Code: 600138).

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From July 2009 to September 2015, Mr. Ying served as the vice general manager at COFCO Trust Co., Ltd.* (中糧信託有限責任公司). From November 2006 to December 2008, he served as the assistant to the president at The Pacific Securities Co., Ltd.* (太平洋證券股份有限公司) (Shanghai Stock Exchange Stock Code: 601099). From August 2002 to June 2006, Mr. Ying worked at China Fortune Securities Co., Ltd.* (華鑫證券有限公司), primarily in charge of its investment banking department.

He received his bachelor's degree in economics from Renmin University of China (中國人民大學) in July 1991.

Mr. WANG Jianxin (王建新), aged 48, was appointed as an independent non-executive Director in October 2018. He is responsible for providing independent advice and judgment to our Board.

Mr. Wang currently serves as an independent director of Chongqing Fuling Zhacai Group Co., Ltd.* (重慶市涪陵榨菜集團股份有限公司) (Shenzhen Stock Exchange Stock Code: 002507) since May 2014. From August 2012 to August 2018, Mr. Wang served as an independent director of Shenzhen Goodix Technology Co., Ltd.* (深圳市匯頂科技股份有限公司) (Shanghai Stock Exchange Stock Code: 603160). Mr. Wang used to serve as an independent director of Guangdong Highsun Group Co., Ltd.* (廣東海印集團股份有限公司) (Shenzhen Stock Exchange Stock Code: 000861) from May 2011 to September 2015. Prior to that, he served as an independent director of AVIC Real Estate Co., Ltd.* (中航地產股份有限公司) (Shenzhen Stock Exchange Stock Code: 000043) from September 2010 to June 2016.

He has more than 20 years of extensive professional experience in investment, finance, accounting and tax. He has been a partner of Shenzhen branch of Shinewing (HK) CPA Limited (信永中和會計師事務所) since January 2007. He also worked at the management centre of Goldstore Securities Co., Ltd. (金元證券股份有限公司深圳管理總部) from November 2004 to December 2006. Previously, Mr. Wang worked as a partner of Shenzhen Zhongtian Huazheng CPA Limitd (深圳中天華正會計師事務所) from December 2003 to September 2004. Before that, he worked at Ping An Securities Co., Ltd.* (平安證券有限責任公司) as a senior manager from April 2001 to May 2003.

Mr. Wang was accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in October 1996. He obtained his bachelor's degree in auditing from Zhongnan University of Finance and Economics (中南財經大學) in July 1994.

Mr. HU Jie (胡杰), aged 43, was appointed as an independent non-executive Director in October 2018. He is responsible for providing independent advice and judgment to our Board.

He has been serving as the general manager of the investment department of Guangzhou R&F Properties Co., Ltd.* (廣州富力地產股份有限公司) (HKEx Stock Code: 02777) since January 2002, where he has also been serving as the board secretary since June 2007. Mr. Hu has been a member of the M&A Financing Committee of the China Association for Public Companies (中國上市公司協會) since June 2014. Previously, Mr. Hu served as a director of Guangzhou Securities Co., Ltd.* (廣州證券有限責任公司) from October 2007 to August 2009. He served as the vice general manager of the Investment Banking Headquarters of Ping An Securities Co., Ltd.* (平安證券有限責任公司) from June 2001 to January 2002. He worked at the Investment Banking Headquarters of China Southern Securities Co., Ltd.* (南方證券股份有限公司) from July 2000 to June 2001.

Mr. Hu received his master's degree in economics from Jinan University (暨南大學) in June 2000.

Save as disclosed above, none of our Directors holds or has held any other directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the date of this prospectus. See "Statutory and General Information" in Appendix IV to this prospectus for further information about the Directors, including the particulars of their service contracts or letters of appointment and remuneration, and details of any interests of the Directors in the Shares (within the meaning of Part XV of the SFO). Save as disclosed herein, there are no other matters in respect of each of our Directors that is required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules and there are no other material matters relating to our Directors that need to be brought to the attention of our Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our executive Directors and senior management are responsible for the day-to-day management and operation of our business.

For information concerning our senior management who also serve as executive Directors, see “— Board of Directors — Executive Directors” in this section. The senior management team of our Group, in addition to the executive Directors listed above, is as follows:

Mr. SONG Xiaofei (宋笑飛), aged 32, is the chief financial officer of the Company and responsible for the Group’s overall financial management. He joined us in April 2015 as the vice financial director of Guangzhou Gamo, a position which he served from April 2015 to May 2015. He also served as the vice financial director of Guangzhou Huitao from May 2015 to July 2015 and as the financial director of Guangzhou Mobvista from July 2015 until November 2018.

Before joining us, Mr. Song worked at China Smart Electric Group Limited* (“**China Smart Electric**”) (中國智能電氣集團有限公司) as the head of finance department from March 2012 to April 2015. During his employment there, he also served as the general manager of energy performance contracting department of Guangdong Ming Yang Electrics Group Limited* (“**Guangdong Ming Yang**”) (廣東明陽電氣集團有限公司), one of the subsidiaries of China Smart Electric, from August 2013 to April 2015 when he was primarily responsible for project review, risk control and overall management of energy performance contracting projects. Before that, he served as the head of finance department of Guangdong Ming Yang from September 2012 to April 2015, primarily responsible for overall financial management of the company, including accounting, corporate finance, banking relations and financial compliance. From September 2008 to March 2012, Mr. Song worked in KPMG Huazhen Guangzhou branch as an assistant manager and mainly focused on auditing services for initial public offering transactions.

Mr. Song was accredited as a Certified Public Accountant (non-practising) by The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in February 2017.

Mr. Song received his bachelor’s degree from Guangdong University of Foreign Studies (廣東外語外貿大學) in June 2008, majoring in English Linguistics.

Mr. CHEN Qiaofeng (陳巧鋒), aged 33, is the vice president of the Company, primarily responsible for the Group’s greater China business. He joined us in June 2014 as the business manager of Guangzhou Gamo, a position which he served from June 2014 to May 2015. Mr. Chen served as the business director of Guangzhou Huitao from May 2015 to July 2015, subsequently served as director of Guangzhou Mobvista from July 2015 to April 2016. He has been serving as the supervisor of Guangzhou Mobvista since February 2016 and he served as the head of greater China region of Guangzhou Mobvista from April 2016 until November 2018. Mr. Chen served as the business director of Guangzhou Ruisou from November 2015 to May 2018. He has also been serving as the head of greater China region of Mobvista Technology since May 2018.

In addition, Mr. Chen has been serving as the legal representative of Guangzhou Zhenchang Information Consulting Co., Ltd.* (廣州臻昶信息諮詢有限公司) since February 2015 and the financial director of the same entity since December 2017. During the period from July 2008 to March 2014, Mr. Chen served as a consultant and then a director of finance centre at Guangzhou Branch and a sales director at the Shenzhen Branch successively, of KeyLogic Beijing Management and Consulting Co., Ltd.* (凱洛格北京管理諮詢有限公司), a company primarily engaged in the provision of human resources training and consulting services.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chen received his bachelor's degree from Zhejiang University (浙江大學) in June 2008, majoring in chemical engineering and technology.

Mr. LI Tianhui (黎田輝), aged 37, is the human resources director of the Company, primarily responsible for the Group's human resources management. He joined the Group in December 2014 as the human resources manager of Guangzhou Gamo, a position which he served from December 2014 to May 2015. He served as the human resources director of Guangzhou Huitao from May 2015 to July 2015, and served as the human resources director of Guangzhou Mobvista since July 2015 till November 2018. He also has been serving as a supervisor of Guangzhou Mobvista since February 2016. In addition, within our Group, Mr. Li served as the human resources manager of Mobvista Technology from April 2015 to May 2015. He has been serving as the human resources director of Mobvista Technology since May 2015.

Mr. Li has years of experience in human resources management. From November 2011 to December 2014, Mr. Li worked at Guangzhou Jianhe Network Technology Co., Ltd.* (廣州堅和網絡科技有限公司) as a human resources director. Before that, he worked at Guangzhou branch of UC Mobile Ltd.* (優視科技有限公司) as a human resources officer from February 2008 to June 2009.

Mr. Li graduated from Nanchang University (南昌大學) in July 2003, majoring in environmental engineering.

Ms. YANG Ying (楊瑩), aged 28, is the head of Southeast Asia and Europe regions of the Company, primarily responsible for business development and management, especially in Asia and Europe. She joined us in March 2014 as the business manager of Guangzhou Gamo, a position which she served from March 2014 to May 2015. She served as the business manager of Guangzhou Huitao from May 2015 to July 2015 and as the same position of Guangzhou Mobvista from July 2015 to March 2016, where she subsequently served as the senior business manager and the head of Southeast Asia region from March 2016 to January 2018. She served as the head of Southeast Asia and Europe regions of Guangzhou Mobvista from January 2018 until November 2018. In addition, within our Group, Ms. Yang served as the business manager of Mobvista Technology from April 2015 to March 2016, where she subsequently served as the senior business manager and the head of Southeast Asia region from March 2016 to January 2018. She also has been serving as the head of Southeast Asia and Europe regions of Mobvista Technology since January 2018.

Before joining us, she worked as a sales trainee at Mars Foods (China) Co., Ltd. (瑪氏食品(中國)有限公司) from July 2013 to January 2014, where she primarily focused on sales and marketing.

Ms. Yang received her bachelor's degree from Zhejiang University (浙江大學) in July 2013, majoring in English.

Save as disclosed above, none of our senior management holds or has held any other directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the date of this prospectus.

JOINT COMPANY SECRETARIES

Mr. QIAN Cheng (錢程), was appointed as our joint company secretary on June 14, 2018. Mr. Qian has been serving as the secretary of the board of MIT HK since July 2016. He also served as the manager of the securities department of Guangzhou Mobvista from August 2016 to October 2016; and he has been serving as a director and the secretary of the board of Guangzhou Mobvista since October 2016.

DIRECTORS AND SENIOR MANAGEMENT

Before joining us, Mr. Qian served as the senior vice president of the investment banking department at CSC Financial Co., Ltd. (中信建投證券股份有限公司) (HKEx Stock Code: 6066) from January 2015 to July 2016 and primarily focused on mergers and acquisition and restructuring in TMT industry, and as the senior manager of the same entity from November 2010 to December 2014. Prior to that, he worked at The Pacific Securities Co., Ltd. (太平洋證券股份有限公司) (Shanghai Stock Exchange Stock Code: 601099) from June 2007 to November 2010, and started to engage in general securities business since April 2008.

Mr. Qian received his bachelor's degree in information management and information system in July 2004 from Shanghai University of Finance and Economics (上海財經大學), and later in January 2007, obtained his master's degree in corporate management from the same university.

Ms. SO Shuk Yi Betty (蘇淑儀), was appointed as our joint company secretary on June 14, 2018. Ms. So is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a corporate services provider.

Ms. So has been a member of The Institute of Chartered Secretaries and Administrators in the United Kingdom since October 1997 and an associate of The Hong Kong Institute of Chartered Secretaries since October 1997.

Ms. So received her master's degree in Chinese and comparative law from the City University of Hong Kong in November 2004 and a master's degree in business administration from the University of Leicester in July 1999.

COMMITTEES UNDER THE BOARD OF DIRECTORS

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The audit committee consists of three members, namely Mr. WANG Jianxin, Mr. YING Lei and Mr. HU Jie. Mr. WANG Jianxin has been appointed as the chairman of the audit committee and is our independent non-executive Director with the appropriate professional qualifications. The primary duties of the remuneration committee include, but are not limited to, the following:

- (a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (c) to develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (d) to monitor the integrity of the Company's financial statements and annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee shall focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;

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- (iii) significant adjustments resulting from the audit;
- (iv) the going concern assumptions and any qualifications;
- (v) compliance with accounting standards; and
- (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;
- (e) regarding paragraph (d) above: (i) Members shall liaise with the Board and senior management of the Company and the Audit Committee must meet, at least twice a year, with the Company's auditors; and (ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, and it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;
- (f) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the board itself, to review the Company's risk management and internal control systems;
- (g) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion shall include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
- (h) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (j) to review the financial and accounting policies and practices of the Company and its subsidiaries;
- (k) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- (l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) to report to the Board on the matters set out in the Corporate Governance Code;
- (n) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- (o) to act as the key representative body for overseeing the Company's relation with the external auditor;
- (p) to review ongoing connected transactions of the Company and ensure compliance with terms of approval by shareholders of the Company; and
- (q) to consider such other matters as the Board may from time to time determine.

Remuneration Committee

We have established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The remuneration committee consists of three members, namely Mr. YING Lei, Mr. Cao and Mr. HU Jie. Mr. YING Lei has been appointed as the chairman of the remuneration committee. The primary duties of the remuneration committee include, but are not limited to, the following:

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

DIRECTORS AND SENIOR MANAGEMENT

- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management of the Company, or
 - (ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Company.
- This should, include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive directors of the Company;
 - (e) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions of the Company and its subsidiaries;
 - (f) to consider the levels of remuneration required to attract and retain the directors to run the Company successfully;
 - (g) to review and approve compensation payable to executive directors and senior management of the Company for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - (h) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
 - (i) to ensure that no director of the Company or any of his or her associates is involved in deciding his or her own remuneration.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with the Code on Corporate Governance and Corporate Governance Report in Appendix 14 to the Listing Rules. The nomination committee consists of three members, namely Mr. Duan, Mr. YING Lei and Mr. HU Jie. Mr. Duan has been appointed as the chairman of the nomination committee. The primary duties of the nomination committee include, but are not limited to, the following:

- (a) to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, race, skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals who are qualified/suitable to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of independent non-executive directors of the Company; and
- (d) to make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors of the Company, in particular, the chairman and the chief executive of the Company.

DIRECTORS AND SENIOR MANAGEMENT

BOARD DIVERSITY

Our Directors have a balanced mix of experiences and industry background, including but not limited to experiences in advertising, financial, technology, mobile Internet, food, real estate and securities industries. Our Directors obtained degrees in various majors including system science, communication engineering, mathematics, micro-electronics and solid-state electronics, economics and auditing. We have three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board.

We have adopted a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of our Board that are relevant to the Company's business growth. Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Our nomination committee is responsible for ensuring the diversity of our Board members. After Listing, our nomination committee will review the board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of the board diversity policy in our corporate governance report on annual basis.

CODE PROVISION A.2.1 OF THE CORPORATE GOVERNANCE CODE

Mr. Duan is the chairman of our Board and the chief executive officer of our Company. With extensive experience in the mobile advertising and mobile analytics industry, Mr. Duan is responsible for the overall strategic planning and general management of our Group and is instrumental to our growth and business expansion since our establishment. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experience and high-caliber individuals. Our Board currently comprises four executive Directors (including Mr. Duan) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Save as disclosed above, we are in compliance with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Our Directors and senior management receive remuneration, including salaries, allowances and benefits in kind, including our contribution to the pension plan on their behalf.

The aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonuses) incurred by the five highest paid individuals for the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018 was approximately US\$3.0 million, US\$4.8 million, US\$4.0 million and US\$1.0 million, respectively.

The aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonuses) paid to our Directors for the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018 was approximately US\$2.2 million, US\$4.4 million, US\$3.5 million and US\$0.6 million, respectively. None of our Directors or senior management waived any remuneration during the aforesaid periods.

DIRECTORS AND SENIOR MANAGEMENT

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors or past directors for the Track Record Period for the loss of office as director or any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waive any emoluments during the same period.

Save as disclosed above, no other payments have been paid or are payable, in respect of the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018 by our Company to our Directors or senior management.

Under the arrangements currently in force, our Directors will be entitled to receive remuneration and benefits in kind which, for the year ending December 31, 2018, is expected to be approximately US\$1.4 million in aggregate (excluding discretionary bonus).

COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our Compliance Advisor pursuant to Rule 3A. 19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A. 23 of the Listing Rules, the Compliance Advisor will advise our Company, among others, in the following circumstances:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this prospectus; and
- (d) where the Stock Exchange makes an inquiry to the Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Capitalization Issue and the Global Offering and assuming that the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme, the following persons will have interests or short positions in our Shares or our underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group:

Name of Shareholder	Capacity / Nature of Interest	Number of Shares held	Approximate percentage of shareholding in our Company
Seamless ⁽¹⁾	Beneficial owner	1,127,999,842(L)	74.3%
Guangzhou Mobvista ⁽¹⁾	Interest in controlled corporation	1,127,999,842(L)	74.3%
Mr. Duan ⁽²⁾	Interest in controlled corporation	1,127,999,842(L)	74.3%

Notes:

- (1) Seamless holds 1,127,999,842 Shares in the Company, representing 74.3% of the issued share capital of the Company immediately following the completion of the Capitalization Issue and the Global Offering, assuming that the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme. Seamless is wholly-owned by Guangzhou Mobvista. Therefore, Guangzhou Mobvista is deemed to be interested in the 1,127,999,842 Shares held by Seamless under the SFO.
- (2) Mr. Duan, Guangzhou Huimao and Horgos Duanshi Pearl River Equity Investment Co., Ltd.* (霍爾果斯段氏珠江股權投資有限公司) directly holds 12.94%, 17.97% and 4.20% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao Investment Management Center (Limited Partnership) is Guangzhou Huisui, which is owned by Mr. Duan as to 95%; Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. Therefore, Mr. Duan is deemed to be interested in Guangzhou Huimao's interest in Guangzhou Mobvista under the SFO. Horgos Duanshi Pearl River Equity Investment Co., Ltd. is wholly-owned by Mr. Duan; therefore, Mr. Duan is deemed to be interested in Horgos Duanshi Pearl River Equity Investment Co., Ltd.'s interest in Guangzhou Mobvista under the SFO. As a result, Mr. Duan is deemed to be interested in an aggregate of 35.11% interest in Guangzhou Mobvista, and thus is further deemed to be interested in the 1,127,999,842 Shares which Guangzhou Mobvista is interested in.

Except as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Global Offering and assuming that the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme, have an interest or short position in Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The authorized share capital of our Company and the share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately upon the completion of the Capitalization Issue and the Global Offering are as follows:

ASSUMPTIONS

	(Nominal Value)
	US\$
Authorized share capital	
10,000,000,000 Shares of US\$0.01 each	100,000,000.00
Shares in issue as of the date of this prospectus	
1,063,831 Shares of US\$0.01 each	10,638.31
Shares to be issued pursuant to the Capitalization Issue:	
1,198,936,169 Shares of US\$0.01 each	11,989,361.69
Shares to be issued pursuant to the Global Offering:	
318,867,000 Shares of US\$0.01 each	3,188,670.00
Shares in issue immediately following the Global Offering:	
1,518,867,000 Shares of US\$0.01 each	15,188,670.00

The above table assumes that the Global Offering becomes unconditional and Shares are issued pursuant to the Global Offering. It also assumes that the Over-allotment Option is not exercised and does not take into account any Shares which may be issued or repurchased pursuant to the RSU Schemes, the Share Option Scheme or the general mandate given to the Directors for issue and allotment of Shares referred to in Appendix IV to this prospectus or the repurchase mandate referred to in Appendix IV to this prospectus, as the case may be.

RANKING

The Shares are ordinary shares in our share capital and rank equally with all Shares currently in issue and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus.

CAPITALIZATION ISSUE

Pursuant to the written resolutions of our Shareholders passed on October 30, 2018, and subject to the share premium account of our Company being credited by an amount of US\$11,989,361.69 as a result of the issue of Offer Shares pursuant to the Global Offering, our Directors are authorized to allot and issue a total of 1,198,936,169 Shares credited as fully paid at par on Listing Date to the holders of Shares, on the register of members of our Company in the Cayman Islands at the close of business on the business day preceding the Listing Date, in proportion to their existing respective shareholdings in our Company by capitalizing the sum of US\$11,989,361.69 from the share premium account of our Company (save that no holder of Shares shall be entitled to be allotted or issued any fraction of a Share). The Shares allotted and issued pursuant to the Capitalization Issue will rank *pari passu* in all respects with the existing issued Shares.

SHARE CAPITAL

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETINGS ARE REQUIRED

Pursuant to the Companies Law and the terms of the Memorandum and Articles of Association, our Company may from time to time by ordinary resolution of shareholders (i) increase its capital; (ii) consolidate and divide its capital into Shares of larger amount; (iii) subdivide its Shares into Shares of smaller amount; and (iv) cancel any Shares which have not been taken or agreed to be taken. In addition, our Company may, subject to the provisions of the Companies Law, reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. See “Summary of the Constitution of the Company and Cayman Companies Law — Summary of the Constitution of the Company — 2. Articles of Association — 2.5 Alteration of capital” in Appendix III to this prospectus.

Further, our Company will also hold general meetings from time to time as may be required under the Articles, a summary of which is set out in the section headed “Summary of the Constitution of the Company and Cayman Companies Law” in Appendix III to this prospectus.

GENERAL MANDATE TO ISSUE SHARES

Conditional on the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with the Shares (otherwise than pursuant to, or in consequence of, the Global Offering, a rights issue or the exercise of any options or any scrip dividend scheme or similar arrangements, any adjustment of rights to subscribe for Shares under options and warrants or a special authority granted by our shareholders) with an aggregate nominal value of not more than the sum of:

- 20% of the aggregate nominal value of our share capital in issue immediately following the completion of the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the RSU Schemes and the Share Option Scheme); and
- the aggregate nominal value of our share capital repurchased by us (if any) under the general mandate to repurchase Shares referred to below.

This general mandate to issue Shares will remain in effect until:

- the conclusion of our next annual general meeting;
- the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
- it is varied or revoked by an ordinary resolution of our shareholders in general meeting, whichever is the earliest.

Particulars of this general mandate to allot, issue and deal with Shares are set forth under “Statutory and General Information — A. Further Information about our Company — 6. Resolutions of our shareholders dated October 30, 2018” in Appendix IV to this prospectus.

REPURCHASE MANDATE

Conditional on the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all our powers to repurchase Shares (Shares which may be listed on the Stock Exchange) with a total nominal value of not more 10% of the aggregate nominal value of our share capital in issue immediately following the completion of the Capitalization Issue and the Global Offering (without taking into account any Shares to be issued upon the exercise of the Over-allotment Option).

This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in “Statutory and General Information — A. Further Information about our Company — 6. Resolutions of our Shareholders dated October 30, 2018” in Appendix IV to this prospectus.

SHARE CAPITAL

The general mandate to repurchase Shares will remain in effect until:

- the conclusion of our next annual general meeting;
- the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
- it is varied or revoked by an ordinary resolution of our shareholders in general meeting, whichever is the earliest.

FINANCIAL INFORMATION

You should read the following discussion and analysis with our audited combined financial information, including the notes thereto, included in the Accountant's Report in Appendix I to this prospectus. Our combined financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions, including the United States.

The following discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this prospectus, including the sections headed "Risk Factors" and "Business" in this prospectus.

OVERVIEW

We are a leading technology platform providing mobile advertising and mobile analytics services to the app developers globally. Our platform provides services for mobile advertising and mobile analytics. Our proprietary data technology enabled by our big data AI system serves as the foundation of our service offerings.

We provide user acquisition and monetization services on our mobile advertising platform. App developers who need to acquire users for their apps are our advertisers. We provide these advertisers user acquisition services to conduct cost-efficient mobile advertising campaigns for them across a variety of media and charge them based on advertising performance, helping them acquire new users. App developers who need to monetize their apps through offering mobile ad space in their apps (which we refer to as ad inventories) are our publishers. We provide these publishers monetization services and deliver advertising content suitable and of interest to their users to fill the ad inventories in their apps. We pay our publishers traffic acquisition fees for purchasing ad inventories to deliver ads for our advertisers. We do not charge for our monetization services, as we receive strategic value from publishers in the form of a diverse selection of ad inventories for our advertisers.

We provide mobile analytics services on our mobile analytics SaaS platform. App developers who need to understand the performance of their apps and behaviors of their users are our mobile analytics users. Our mobile analytics services are provided as an analytical tool that enables game developers to monitor and analyze various aspects of game player data. We currently provide our mobile analytics services free of charge and for mobile game developers only.

We charge our advertisers for our user acquisition services based on performance, primarily measured by CPI, or cost per install (based on the number of new installations as a result of the publishers' users clicking the ads and downloading and installing the apps). We pay our publishers traffic acquisition costs for placing ads on their ad inventories. We derived substantially all of our revenues from the provision of user acquisition services to advertisers during the Track Record Period. We do not charge our publishers for our monetization services. In addition, although we currently do not charge for our mobile analytics services, they may become one of our sources of revenues in the future.

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During the Track Record Period, our total revenues increased from US\$167.2 million in 2015 to US\$313.0 million in 2017, representing a CAGR of 36.8%, and reached US\$184.5 million in the six months ended June 30, 2018. Our adjusted EBITDA increased from US\$13.9 million in 2015 to US\$35.7 million in 2017, representing a CAGR of 60.5%, and reached US\$15.0 million in the six months ended June 30, 2018. Our profit increased from US\$8.7 million in 2015 to US\$27.3 million in 2017, representing a CAGR of 77.1%, and reached US\$10.1 million in the six months ended June 30, 2018.

BASIS OF PRESENTATION

Pursuant to the group reorganization, our Company became the holding company of the companies now comprising our Group. See “History and Corporate Structure” in this prospectus. In connection with the reorganization, Guangzhou Mobvista Group (who controls us through its holding vehicle and our controlling shareholder Seamless) assigned mobile advertising businesses carried out by Guangzhou Ruisou, Shenzhen Huirui and Beijing Huiju Shanhe (entities outside of our Group but under common control by Guangzhou Mobvista Group) to Mobvista Technology, one of our wholly-owned PRC subsidiaries. The assignment was accounted for as business combinations under common control because the combining entities or businesses were controlled by Guangzhou Mobvista Group before and after the assignment, and as such the historical financial information of our Group include the combined results of Guangzhou Ruisou, Shenzhen Huirui and Beijing Huiju Shanhe as if the combined group had been in existence throughout the Track Record Period or since the date when they first came under common control, in accordance with applicable IFRS issued by the International Accounting Standards Board. The historical financial information also complies with the applicable disclosure provisions of the Listing Rules.

In addition, while certain assets and liabilities associated with Guangzhou Ruisou, Shenzhen Huirui and Beijing Huiju Shanhe have been included in our Group’s combined statements of financial position prior to May 31, 2018, they were not considered strategically complementary to our technology-focused business after the business assignment. As such, these assets and liabilities were reflected as a deemed distribution to Guangzhou Mobvista Group on May 31, 2018. These assets and liabilities primarily include (1) deposits and prepayments, restricted cash and bank loans related to purchase of properties; (2) cash and cash equivalents balance; (3) amounts due from/to related parties resulting from funding activities with the Group and other related parties; (4) other receivables and payables; (5) deferred tax assets and current tax payables and (6) property, plant and equipment and intangible assets. Except for item (5) and item (6), all the remaining assets and liabilities had no income statement impact during the Track Record Period. The net profit attributable to the owner of the Company derived from item (5) and item (6) was US\$2,000, US\$1,369,000, US\$258,000 and US\$3,449,000 for the year ended December 31, 2015, 2016, 2017 and for six months ended June 30, 2018, mainly representing tax expenses and depreciation and amortization expenses. Total net assets of US\$40.1 million were reflected as a deemed distribution to Guangzhou Mobvista Group on May 31, 2018. For details of the basis of presentation, see Note 1.2 of the Accountants’ Report set out in Appendix I to this prospectus.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe our results of operations have been, and will continue to be affected by a number of key factors, including the following:

Growth of the Mobile Advertising Industry

The growth of our business has been in part driven by the overall growth of the mobile advertising industry. According to the iResearch Report, global total mobile advertising spending and its proportion of total media advertising spending have witnessed significant growth in recent years. For the years ended December 31, 2015, 2016 and 2017, our revenues generated from our mobile advertising services reached US\$158.3 million, US\$267.6 million and US\$312.0 million, respectively. For the six months ended June 30, 2017 and 2018, our revenues generated from mobile advertising services reached US\$171.5 million and

FINANCIAL INFORMATION

US\$184.4 million, respectively. According to the iResearch Report, the total mobile advertising spending will continue its growth and we believe it will continue to increase demand for our user acquisition services. However, if the mobile advertising industry develops or grows more slowly than expected, our historical growth may not be indicative of our future performance.

Programmatic Advertising Services

We have strategically focused on programmatic advertising since 2016, and grown our revenues from programmatic advertising from US\$11.7 million in 2015 to US\$114.4 million in 2017. For the six months ended June 30, 2018 our revenues from programmatic advertising were US\$88.2 million, as compared to US\$62.2 million for the six months ended June 30, 2017. According to the iResearch Report, spending on programmatic advertising by app developer advertisers and the penetration rate of programmatic ads have increased significantly in recent years and are expected to continue to grow. We believe we are well-positioned to capture the opportunities in the programmatic marketing sector and programmatic advertising revenues will continue to drive our overall revenue growth. However, programmatic advertising services require us to incur higher server costs than do traditional advertising services. During the Track Record Period, programmatic advertising server costs as a percentage of our programmatic advertising services revenues increased from 3.1% in 2015 to 5.3% in 2016 and further to 8.5% in 2017. For the six months ended June 30, 2018, our programmatic advertising server costs as a percentage of our programmatic advertising services revenues was 8.0%, as compared to 6.1% in the six months ended June 30, 2017. We will therefore need to continually implement improvements in the technology underlying our programmatic advertising services in order to maintain our profit margins.

Advertiser Base and Mobile Advertising Spending of Advertisers

Our results of operations are affected by the quality, size and diversity of our advertiser base and the spending of each advertiser.

We have rapidly grown our advertiser base, and our ecosystem now includes a sizeable global base of app developers as advertisers. We believe the size, diversity and quality of our advertiser base has enabled us to grow our revenues and position us for continued sustainable growth. In particular, our advertiser base is driven by top apps and high retention rates. In 2015, our top 200 app advertisers contributed 98.7% of our advertising revenues, and 85.5% of them were still our advertisers in 2016, contributing 56.8% of our advertising revenues. Similarly, in 2016, our top 200 app advertisers contributed 88.6% of our advertising revenues, and 85.0% of them remained our advertisers in 2017, contributing 66.9% of our advertising revenues. Additionally, our advertiser base is diversified geographically and by app type. As of June 30, 2018, our advertiser base covered over 60 countries and regions globally and comprises a variety of app developers, including those for game, content and social, e-commerce and lifestyle apps.

In addition, our ability to increase mobile advertising spending of advertisers on our platform hinges upon a number of key factors, including (i) our insights on the latest market trends to capture the advertisers' evolving user acquisition needs; (ii) our continuous innovation of our know-how and technologies to provide increasingly precise and targeted advertising services; and (iii) our capabilities to apply our know-how and technologies to our service deliveries in response to the market trends, thereby maximizing our advertisers' ROI and increasing their stickiness to us in the long run.

Supply of Ad Inventory by Publishers

Although we derive substantially all of our revenues from our user acquisition services and the cost of acquiring ad inventory represents a component of our costs of sales, our results of operation are also affected by the types of media publishers that utilize our monetization services and the ad inventory available from such publishers. We require access to comprehensive ad inventory from a variety of media publishers in order

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to meet the needs of our advertisers, which ultimately drives our revenues. In order to gain access to publishers and their ad inventories, our monetization services must effectively enable publishers search for appropriate ad contents to match their ad inventories. Therefore, if we are unable to effectively meet publishers' monetization needs, we may not be able to offer effective user acquisition services.

Improvements in Technology

Our results of operations significantly depend upon our technology capabilities and innovation, including our big data and AI capabilities and the strength of our IT infrastructure. For our mobile advertising services, our ability to develop and apply improved technologies directly affects our ability to achieve better user acquisition performance for our advertisers' ads and greater monetization efficiency for our media publishers, and in turn generate revenues from our mobile advertising services. During the Track Record Period, Mintegral, our AI-driven programmatic user acquisition and monetization platform, was a key driver of our revenues. We expect that future technological improvements to Mintegral will increase our ability to precisely targeting our programmatic advertising and continue to drive our revenue growth.

Operationally, our ability to improve our IT infrastructure will impact our ability to reduce our operating costs, and thereby improve our overall financial performance. For example, we have implemented auto-scaling features into our IT infrastructure which enable us to dynamically manage our server costs in line with shifting traffic. In addition, our ability to automate parts of the mobile advertising process has improved our operating efficiency.

We are dedicated to investing in research and development to continuously improve our technology. For the years ended December 31, 2015, 2016 and 2017, our total research and development expenses amounted to US\$2.3 million, US\$7.4 million and US\$18.9 million, respectively. For the six months ended June 30, 2017 and 2018, our total research and development expenses amounted to US\$6.9 million and US\$12.2 million, respectively. Our research and development expenses during the Track Record Period focused primarily on Mintegral platform and our IT infrastructure.

Cost of Talent

We believe our future success depends on our ability to attract, hire, retain and motivate highly skilled employees. In particular, experienced AI experts are critical for creating AI algorithms for our AI machine learning models and the continued development of our technology capabilities depends on the expertise of technology team. Similarly, our continuing global expansion requires more selling and marketing talent with deep understanding of various local markets. Competition for highly skilled and experienced professionals is extremely intense, which has and may continue to increase our costs to attract and retain talented employees. In 2015, 2016 and 2017, our staff costs amounted to US\$8.5 million, US\$24.5 million and US\$37.7 million, respectively, accounting for 5.1%, 8.6% and 12.0% of our total revenues, respectively. For the six months ended 2017 and 2018, our staff costs amounted to US\$17.4 million and US\$19.9 million, respectively. If we fail to effectively hire and retain high-quality talent, or otherwise manage our staff costs, our business and results of operations will be adversely affected.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We prepare our combined financial information in accordance with IFRS, which requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the combined financial information and the reported amounts of revenue and expenses during the financial reporting period. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Because the use of estimates is an integral component of the financial reporting process, actual results could differ from those

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estimates. We consider our revenue recognition policy discussed below to be critical to an understanding of our combined financial information as its application places the most significant demands on our management's judgment. For details of our other significant accounting policies, see Note 2 in the Accountants' Report in Appendix I to this prospectus.

Revenue Recognition

We utilize a combination of pricing models and recognize revenue from the provision of mobile advertising services when the related services are delivered based on the specific terms of the contract, which are commonly based on specified actions, namely CPA and related campaign budgets, depending on the advertisers' preferences and their campaigns launched. We recognize revenue on a CPA basis once agreed actions, including downloads, activations and registrations, are performed.

We have determined we act as the principal of these arrangements and therefore recognize revenue earned and costs incurred related to these transactions on a gross basis. While none of the factors individually are considered presumptive or determinative, we have determined that we act as the principal because we are the primary obligor and are responsible for (i) identifying and contracting with third-party advertisers which we view as customers; (ii) identifying mobile publishers to provide mobile spaces where we view the mobile publishers as suppliers; (iii) establishing the selling prices of CPA pricing model; (iv) performing all billing and collection activities, including retaining credit risk; and (v) bearing sole responsibility for fulfillment of the advertising.

In addition, we also enter into agreements with certain top media publishers pursuant to which (i) we act as a sales agent for them by approaching advertisers to use such top media publishers' proprietary ad platforms through us and (ii) we are entitled to earn rebates and/or incentives from these publishers based on contractually stipulated amounts if certain spending thresholds are achieved by the advertisers we approached. Rather than being the primary obligor in ad campaigns for advertisers, who we typically consider as our customers, in these arrangements we act as sales agents and consider top media publishers as our customers. For the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, revenues of US\$1.0 million, US\$1.1 million, US\$1.3 million and US\$81,000 respectively, were generated from rebates we earned from these top media publishers, accounting for 0.6%, 0.4%, 0.4% and 0.04%, respectively, of our total mobile advertising revenues in the same periods.

Adoption of IFRS 9 and IFRS 15

IFRS 9, replaces IAS 39, "Financial instruments: recognition and measurement." It sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. We have applied IFRS 9 to items that existed as of January 1, 2018 in accordance with the transition requirements. We have recognized the cumulative effect of initial application as an adjustment to the opening equity as of January 1, 2018. Therefore, the historical financial information for the years ended December 31, 2015, 2016 and 2017 continues to be reported under IAS 39. For details of the impact of such transition during the Track Record Period, see Note 1.5 of the Accountants' Report set out in Appendix I to this prospectus.

IFRS 15, "Revenue from Contracts with Customers" replaces the previous revenue standards IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and has been adopted throughout the Track Record Period. We consider the adoption of IFRS 15 did not have significant impact on our financial position and performance during the Track Record Period.

We consider that the impact on our financial position and performance during the Track Record Period would be insignificant if IAS 39, rather than IFRS 9, had been applied.

FINANCIAL INFORMATION

Impairment of goodwill

During the Track Record Period, we recognized goodwill of US\$20.0 million and US\$9.0 million in Connection with our acquisition of nativeX, LLC and Game Analytics ApS in 2016, respectively. Goodwill is initially measured at cost, and then measured at cost less any accumulated impairment losses.

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Cost:				
At 1 January	—	—	28,998	28,998
Arising from business combinations	—	28,998	—	—
At 31 December	—	28,998	28,998	28,998
Carrying amount:				
At 31 December	—	28,998	28,998	28,998

Goodwill is tested for impairment annually. For the purpose of impairment testing, goodwill has been allocated to the Group's cash-generating units (the "CGU") identified according to country of operation. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projection based on financial forecasts approved by management covering a five-year period for the acquisition of nativeX, LLC and a six-year period for the acquisition of Game Analytics ApS, respectively. The key assumptions used in the estimation of the recoverable amount are pre-tax discount rate and budgeted revenue growth rate (average of financial forecasts period). The expected revenue growth rate is following the business plan approved by the Group. Pre-tax discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Goodwill in connection with the acquisition of nativeX, LLC

	As of December 31,	
	2016	2017
<i>In percent</i>		
Pre-tax discount rate.	18.6%	19.1%
Terminal value growth rate	5.0%	5.0%
Budgeted revenue growth rate (average of financial forecasts period).	15.0%	11.0%

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately US\$1,614,000 and US\$5,486,000 respectively as of December 31, 2016 and 2017.

The Company performs the sensitivity analysis based on the assumption that pre-tax discount rate and revenue growth rate have been changed. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

	As of December 31,		
	2015	2016	2017
	(US\$ in thousands)		
Pre-Tax discount rate increase by 5%	NA	807	3,779
Budgeted revenue growth rate decrease by 5%.	NA	939	4,132

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As of December 31, 2016, if the pre-tax discount rate rose to 20% or budgeted revenue growth rate (average of financial forecasts period) decreased to 13%, the recoverable amount of the CGU would be approximately equal to its carrying amount. As of December 31, 2017, if the pre-tax discount rate rose to 22.4% or budgeted revenue growth rate (average of financial forecasts period) decreased to 6%, the recoverable amount of the CGU would be approximately equal to its carrying amount.

Goodwill in connection with the acquisition of Game Analytics ApS

	As of December 31,	
	2016	2017
<i>In percent</i>		
Pre-tax discount rate	10.5%	11.0%
Terminal value growth rate	2.0%	2.0%
Budgeted revenue growth rate (average of financial forecasts period)	<u>10.0%</u>	<u>11.0%</u>

We adopted the same key assumptions in their impairment assessment of December 31, 2016 as those adopted in the valuation performed on the acquisition date of business of Game Analytics ApS on August 8, 2016 as there were no significant change during that period in the underlying internal and external factors that would affect the valuation of the assets acquired.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately US\$1,779,000 and US\$2,964,000 as of December 31, 2016 and 2017.

The Company performs the sensitivity analysis based on the assumption that pre-tax discount rate and budgeted revenue growth rate (average of financial forecasts period) has been changed. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

	As of December 31,		
	2015	2016	2017
	US\$'000	US\$'000	US\$'000
Pre-Tax discount rate increase by 5%	NA	1,090	1,329
Budgeted revenue growth rate decrease by 5%.	NA	1,006	1,952

As of December 31, 2016, if the pre-tax discount rate rose to 12.0% or budgeted revenue growth rate (average of financial forecasts period) decreased to 7.7%, the recoverable amount of the CGU would be approximately equal to its carrying amount. As of December 31, 2017, if the pre-tax discount rate rose to 12.5% or budgeted revenue growth rate (average of financial forecasts period) decreased to 6.8%, the recoverable amount of the CGU would be approximately equal to its carrying amount.

In accordance with our accounting policies, goodwill is tested for impairment on an annual basis at each year end. As of June 30, 2018, we did not identify any impairment indicators considering (i) the CGUs' actual financial performance for the six months ended June 30, 2018 is not inconsistent with the financial forecast utilized in the impairment test as of December 31, 2017 and (ii) we are not aware of any significant changes that could have adverse impact on our businesses, and as a result, no impairment assessment as of June 30, 2018 was considered necessary.

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For details, see Note 13 of the Accountants' Report set out in Appendix I to this prospectus. We are of the view that reasonable possible changes in key assumptions would not lead to impairment as of December 31, 2016 and 2017, respectively.

COMBINED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our combined statements of profit or loss for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Revenues	167,207	100.0	283,923	100.0	312,956	100.0	172,333	100.0	184,451	100.0
Costs of sales.	(144,361)	(86.3)	(214,848)	(75.7)	(230,097)	(73.5)	(124,321)	(72.1)	(145,171)	(78.7)
Gross profit	22,846	13.7	69,075	24.3	82,859	26.5	48,012	27.9	39,280	21.3
Selling and marketing expenses . .	(1,379)	(0.8)	(4,489)	(1.6)	(6,443)	(2.1)	(3,212)	(1.9)	(3,035)	(1.6)
Research and development expenses	(2,339)	(1.4)	(7,359)	(2.6)	(18,934)	(6.1)	(6,861)	(4.0)	(12,229)	(6.6)
General and administrative expenses	(8,850)	(5.3)	(34,885)	(12.3)	(28,682)	(9.2)	(15,812)	(9.2)	(14,171)	(7.7)
Other net income.	13	0.01	584	0.2	1,804	0.6	752	0.4	1,674	0.9
Profit from operations	10,291	6.2	22,926	8.1	30,604	9.8	22,879	13.3	11,519	6.2
Finance costs	(100)	0.1	(759)	(0.3)	(189)	(0.1)	(54)	(0.0)	(231)	(0.1)
Profit before taxation	10,191	6.1	22,167	7.8	30,415	9.7	22,825	13.2	11,288	6.1
Income tax	(1,480)	(0.9)	(2,386)	(0.8)	(3,095)	(1.0)	(2,622)	(1.5)	(1,157)	(0.6)
Profit for the year/period	8,711	5.2	19,781	7.0	27,320	8.7	20,203	11.7	10,131	5.5
Non-IFRS measures⁽¹⁾										
Adjusted EBITDA⁽²⁾	13,867	8.3	30,050	10.6	35,729	11.4	26,035	15.1	14,981	8.1

Notes:

- (1) The use of such measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. See “— Non-IFRS Measures” in this section.
- (2) We define adjusted EBITDA as EBITDA (which is profit from operations plus depreciation and amortization expenses) for the period adjusted by adding share-based compensation, one-off acquisition-related expenses and listing expenses.

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DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenues

For the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, we generated total revenues of US\$167.2 million, US\$283.9 million, US\$313.0 million and US\$184.5 million, respectively.

Substantially all of our revenues during the Track Record Period were derived from our mobile advertising services. We also had revenues from our legacy game publishing operations, but such revenues only contributed 0.3% of our total revenues in 2017, and 0.02% for the six months ended June 30, 2018. The following table sets forth a breakdown of our revenues by type of service for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Mobile advertising services	158,253	94.6	267,592	94.2	312,044	99.7	171,506	99.5	184,419	100.0
Game publishing	8,954	5.4	16,331	5.8	912	0.3	827	0.5	32	0.02
Total	167,207	100.0	283,923	100.0	312,956	100.0	172,333	100.0	184,451	100.0

Revenues from Mobile Advertising Services

Revenues generated from our mobile advertising services contributed substantially all of our total revenues during the Track Record Period, accounting for approximately 94.6%, 94.2%, 99.7% and 100.0%, respectively, of our total revenues for the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018.

We enter into agreements with advertisers or advertising agencies for their advertisements to be placed in ad inventories provided by media publishers we identify, primarily on a CPI basis. See “Business — Our Platform — Our Mobile Advertising Platform — Mobile User Acquisition Services for Advertisers” in this prospectus. Our advertising customers use our services to acquire users by advertising on a variety of media. We provide our user acquisition services to game apps, content and social apps, e-commerce apps, utility apps, lifestyle apps and others. The following table sets forth a breakdown of our mobile advertising services revenues by app type for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Game	20,522	13.0	72,085	26.9	113,443	36.4	64,446	37.6	39,514	21.4
Content and social	12,285	7.8	41,364	15.5	56,319	18.0	28,164	16.4	86,209	46.7
E-commerce	12,969	8.2	37,666	14.1	51,215	16.4	29,077	17.0	24,979	13.5
Utility	101,484	64.1	73,019	27.3	47,364	15.2	25,354	14.8	11,561	6.3
Lifestyle	3,823	2.4	25,973	9.7	24,085	7.7	13,619	7.9	8,756	4.7
Other	7,169	4.5	17,484	6.5	19,618	6.3	10,845	6.3	13,400	7.3
Total	158,253	100.0	267,592	100.0	312,044	100.0	171,506	100.0	184,419	100.0

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We have a relatively diverse geographical contribution of our revenues with advertisers from Greater China, the Americas, Southeast Asia and Europe contributing 64.3%, 9.5%, 6.3% and 4.9% of our total revenues for the six months ended June 30, 2018, respectively. The following table sets forth a breakdown of our mobile advertising services revenues by geographic region for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Greater China ⁽¹⁾	122,047	77.1	135,279	50.6	140,076	44.9	75,446	44.0	118,527	64.3
Americas ⁽²⁾	9,324	5.9	49,957	18.7	61,681	19.8	36,467	21.3	17,557	9.5
Southeast Asia ⁽³⁾	5,806	3.7	15,509	5.8	29,371	9.4	12,402	7.2	11,600	6.3
Europe ⁽⁴⁾	4,783	3.0	17,936	6.7	20,510	6.6	14,753	8.6	8,959	4.9
Rest of Asia ⁽⁵⁾	12,995	8.2	30,327	11.3	41,904	13.4	24,811	14.5	19,031	10.3
Rest of the world ⁽⁶⁾	3,297	2.1	18,584	6.9	18,502	5.9	7,627	4.4	8,745	4.7
Total	158,253	100.0	267,592	100.0	312,044	100.0	171,506	100.0	184,419	100.0

Notes:

- (1) Includes PRC, Hong Kong, Macau and Taiwan.
- (2) Primarily includes United States and Canada.
- (3) Includes Singapore, Vietnam, Indonesia, Thailand, Malaysia, Cambodia, Myanmar and Philippines.
- (4) Primarily includes United Kingdom, Switzerland, Germany, Netherlands, Spain, France, Italy and Ireland.
- (5) Includes other countries and regions in Asia, excluding Southeast Asia and Greater China.
- (6) Primarily includes Argentina, Cyprus and Armenia.

We gain access to ad inventories from a variety of media through programmatic and non-programmatic purchases on behalf of our advertisers in response to their user acquisition needs. The following table sets forth a breakdown of our mobile advertising revenues by purchasing model for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Programmatic	11,687	7.4	79,976	29.9	114,376	36.7	62,211	36.3	88,234	47.8
Non-programmatic	146,566	92.6	187,616	70.1	197,668	63.3	109,294	63.7	96,185	52.2
Total	158,253	100.0	267,592	100.0	312,044	100.0	171,506	100.0	184,419	100.0

Revenues from Game Publishing

Historically, we published and operated third-party developed and licensed games overseas by ourselves or through cooperation with local publishers. Revenues generated from game publishing was primarily derived from sales of in-game virtual items. Since the fourth quarter of 2016, we strategically decided to ramp down game publishing and focused solely on mobile advertising services, which led to a continuous decrease of game publishing revenues during the Track Record Period. For the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, revenues generated from game publishing accounted for 5.4%, 5.8%, 0.3% and 0.02%, respectively of our total revenues in the same periods.

FINANCIAL INFORMATION

Costs of Sales

Our costs of sales primarily consist of traffic acquisition costs and server costs. Traffic acquisition costs represent the costs of ad inventories we purchase from publishers. Our traffic acquisition costs may vary due to a number of factors, including the geographic origin of traffic, targeted audience of the traffic, and the scale of traffic. Server costs primarily represent cloud service fees and other network-related service fees incurred directly in connection with our mobile advertising services. Various factors may also affect our server costs, such as the amount of data we store and process, the system architecture we adopt and the complexity of algorithms we use.

For the years ended December 31, 2015, 2016 and 2017, our costs of sales for mobile advertising services amounted to US\$137.1 million, US\$199.2 million and US\$229.4 million, respectively, and our costs of sales for game publishing amounted to US\$7.3 million, US\$15.6 million and US\$0.7 million, respectively. For the six months ended June 30, 2017 and 2018, our costs of sales for mobile advertising services amounted to US\$123.8 million and US\$145.2 million, respectively, and our costs of sales for game publishing amounted to US\$0.6 million and US\$21,000, respectively. The following table sets forth a breakdown of our total costs of sales by type of service for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
	(unaudited)									
	(US\$ in thousands, except for percentage)									
Mobile advertising services										
Programmatic										
Traffic acquisition costs . . .	12,482	8.6	46,250	21.5	69,792	30.3	38,464	30.9	66,964	46.1
Server costs	362	0.3	4,236	2.0	9,708	4.2	3,824	3.1	7,025	4.8
Total programmatic	12,844	8.9	50,486	23.5	79,500	34.6	42,288	34.0	73,989	51.0
Non-programmatic										
Traffic acquisition costs . . .	123,851	85.8	146,939	68.4	145,725	63.3	79,839	64.2	69,705	48.0
Server costs	379	0.3	1,816	0.8	4,161	1.8	1,639	1.3	1,456	1.0
Total non-programmatic	124,230	86.1	148,755	69.2	149,886	65.1	81,478	65.5	71,161	49.0
Total mobile advertising services.	137,074	95.0	199,241	92.7	229,386	99.7	123,766	99.6	145,150	100.0
Game publishing	7,287	5.0	15,607	7.3	711	0.3	555	0.4	21	0.02
Total	144,361	100.0	214,848	100.0	230,097	100.0	124,321	100.0	145,171	100.0

Gross Profit and Gross Profit Margin

For the years ended December 31, 2015, 2016 and 2017, our gross profit was US\$22.8 million, US\$69.1 million and US\$82.9 million, respectively, and our gross profit margin was 13.7%, 24.3% and 26.5%, respectively. For the six months ended June 30, 2017 and 2018, our gross profit was US\$48.0 million and US\$39.3 million, respectively, and our gross profit margin was 27.9% and 21.3%, respectively.

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The following table sets forth our gross profit and gross profit margin by type of service for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
(unaudited)										
(US\$ in thousands, except for percentage)										
Mobile advertising services . . .	21,179	13.4	68,351	25.5	82,658	26.5	47,740	27.8	39,269	21.3
Game publishing	1,667	18.6	724	4.4	201	22.0	272	32.9	11	34.4
Total	22,846	13.7	69,075	24.3	82,859	26.5	48,012	27.9	39,280	21.3

The following table sets forth our gross profit and gross profit margin by app types for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
(unaudited)										
(US\$ in thousands, except for percentage)										
Games	3,265	15.9	21,105	29.3	32,248	28.4	18,821	29.2	10,213	25.8
Content and social apps	1,978	16.1	12,431	30.1	16,708	29.7	8,162	29.0	13,152	15.3
E-commerce apps	2,707	20.9	10,127	26.9	14,032	27.4	8,717	30.0	8,141	32.6
Utility apps	10,934	10.8	12,108	16.6	7,128	15.0	4,479	17.7	2,013	17.4
Lifestyle apps	533	13.9	8,377	32.3	7,678	31.9	4,443	32.6	2,762	31.5
Other apps	1,762	24.6	4,203	24.0	4,864	24.8	3,119	28.8	2,988	22.3
Total	21,179	13.4	68,351	25.5	82,658	26.5	47,740	27.8	39,269	21.3

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee benefit expenses, (ii) advertising and promotion expenses and (iii) travel and business development expenses. Our employee benefit expenses mainly include salaries, social security and housing benefits for our selling and marketing personnel. The following table sets forth a breakdown of our total selling and marketing expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Employee benefit expenses	354	25.7	2,507	55.8	4,559	70.8	2,241	69.8	2,086	68.7
Advertising and promotion expenses	542	39.3	878	19.6	935	14.5	474	14.8	579	19.1
Travel and business development expenses	467	33.9	1,085	24.2	860	13.3	447	13.9	324	10.7
Others ⁽¹⁾	16	1.2	19	0.4	89	1.4	50	1.6	46	1.5
Total	1,379	100.0	4,489	100.0	6,443	100.0	3,212	100.0	3,035	100.0

Note:

(1) Others primarily include depreciation and amortization.

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Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses, (ii) technical service fees, and (iii) travel and communication expenses. Employee benefit expenses mainly include salaries, social security and housing benefits for our research and development teams. Technical service fees mainly represent costs of servers in connection with our research and development as well as outsourcing research and development service fees. The following table sets forth a breakdown of our total research and development expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Employee benefit expenses	1,397	59.7	6,160	83.7	15,184	80.2	5,378	78.4	9,358	76.5
Technical service fees	811	34.7	844	11.5	2,759	14.6	1,197	17.4	1,975	16.2
Travel and communication expenses	123	5.3	305	4.1	647	3.4	228	3.3	300	2.5
Others ⁽¹⁾	8	0.3	50	0.7	344	1.8	58	0.8	596	4.9
Total	2,339	100.0	7,359	100.0	18,934	100.0	6,861	100.0	12,229	100.0

Note:

(1) Others primarily include depreciation and amortization.

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee benefit expenses, (ii) travel and general office expenses, (iii) impairment losses on assets and (iv) consulting and professional service fees. Employee benefit expenses mainly include salaries, social security, housing benefits and share-based compensation expenses for our management, finance and accounting and human resources personnel. General office expenses primarily include rent, utilities, maintenance and other office expenses. Impairment losses on assets primarily include impairment losses on trade receivables and intangible assets. Consulting and professional service fees primarily include fees we pay for legal, financial, auditing, human resources-related and other consulting services during the ordinary course of our business. The following table sets forth a breakdown of our total general and administrative expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Employee benefit expenses	6,430	72.7	15,317	43.9	16,821	58.6	9,413	59.5	7,974	56.3
Travel and general office expenses	1,012	11.4	4,701	13.5	7,811	27.2	3,816	24.1	2,882	20.3
Impairment losses on assets ⁽¹⁾	597	6.7	12,758	36.6	1,302	4.5	1,543	9.8	324	2.3
Consulting and professional service fees	522	5.9	640	1.8	1,290	4.5	418	2.6	2,165	15.3
Others ⁽²⁾	289	3.3	1,469	4.2	1,458	5.1	622	3.9	826	5.8
Total	8,850	100.0	34,885	100.0	28,682	100.0	15,812	100.0	14,171	100.0

Notes:

(1) Impairment losses on assets primarily consists of impairment losses on trade receivables and intangible assets. See “— Period-to-Period Comparison of Results of Operations — Year Ended December 31, 2017 Compared to Year Ended December 31, 2016” in this section.

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- (2) Others primarily include depreciation of office equipment and facilities, amortization of intangible assets for general office uses, including office software, bank service charges and other miscellaneous office expenses. In 2015, 2016, 2017 and first half of 2018, depreciation charged to general and administrative expenses amounted to approximately US\$67 thousand, US\$317 thousand, US\$627 thousand and US\$279 thousand, respectively; amortization charged to general and administrative expenses amounted to approximately US\$8 thousand, US\$728 thousand, US\$370 thousand and US\$295 thousand, respectively; and bank service charges amounted to approximately US\$184 thousand, US\$280 thousand, US\$183 thousand and US\$161 thousand, respectively.

Other Net Income

Other net income primarily consist of (i) interest income, (ii) net foreign exchange gain or loss, (iii) gain on disposal of available-for-sale investments, and (iv) government grants. The following table sets forth a breakdown of our total other net income for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2015		2016		2017		2017		2018	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)										
(US\$ in thousands, except for percentage)										
Interest income	3	23.1	292	50.0	585	32.4	179	23.8	1,005	60.0
Net foreign exchange gain/(loss) . .	10	76.9	95	16.3	(213)	(11.8)	(664)	(88.3)	197	11.8
Gain on disposal of available-for-sale investments . .	—	—	—	—	892	49.4	892	118.6	—	—
Government grants ⁽¹⁾	—	—	16	2.7	302	16.7	162	21.5	502	30.0
Others	—	—	181	31.0	238	13.2	183	24.3	(30)	(1.8)
Total	13	100.0	584	100.0	1,804	100.0	752	100.0	1,674	100.0

Note:

- (1) Government grants represent unconditional financial assistance received by certain of our PRC subsidiaries from local governments in recognition of our achievements in research and technological innovation. For details, see Note 5 of the Accountants' Report set out in Appendix I to this prospectus.

Finance Costs

Finance costs primarily consist of interest expenses on bank loans. For the years ended December 31, 2015, 2016, 2017 and the six months ended June 30, 2018, we incurred finance costs of US\$100,000, US\$759,000, US\$189,000 and US\$231,000, respectively.

Income Tax Expenses

Our income tax expenses consist of current income tax and deferred income tax. For the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, we recorded income tax expenses of US\$1.5 million, US\$2.4 million, US\$3.1 million and US\$1.2 million, respectively. The following table sets forth the breakdown of our income tax expenses for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2015	2016	2017	2017	2018
(unaudited)					
(US\$ in thousands)					
Current income tax	3,149	5,169	6,064	4,163	32
Deferred income tax	(1,669)	(2,783)	(2,969)	(1,541)	1,125
Total	1,480	2,386	3,095	2,622	1,157

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Our effective income tax rate, calculated by dividing total income tax expenses by profit before taxation, was 14.5%, 10.8%, 10.2% and 10.2% for the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, respectively. The decrease was primarily attributable to the preferential EIT rate entitled to one of our PRC subsidiaries in 2017 and several tax benefits we received from our acquisitions of nativeX, LLC and Game Analytics ApS in 2016. See “ — Period-to-Period Comparison of Results of Operations” in this section. During the Track Record Period, we paid all relevant taxes that were due and applicable to us and had no disputes or unresolved tax issues with relevant tax authorities.

We are subject to various rates of income tax under different jurisdictions. The following summarizes certain tax laws and regulations applicable to us in the Cayman Islands, BVI, Hong Kong, Singapore, United States and PRC.

Cayman Islands, the Seychelles and BVI

We are incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Law and accordingly are not subject to income tax. Our subsidiaries incorporated in the Seychelles and BVI are not subject to tax on income or capital gains.

Hong Kong

Hong Kong profits tax rate was 16.5% on our assessable profits during the Track Record Period, based on existing legislation, interpretation and practices in respect thereof.

Singapore

The income tax provision for our entity in Singapore was calculated at effective tax rate of 17% on our assessable profits during the Track Record Period, based on the existing legislation, interpretation and practices in respect thereof.

United States

USCore, Inc., our subsidiary in the United States, was subject to federal income tax rate of 34% in the United States during the Track Record Period. Due to the U.S. Tax Cuts and Jobs Acts, the federal income tax rate of USCore, Inc. was reduced to 21% effective on January 1, 2018. In addition, in accordance with applicable U.S. federal and state laws, USCore, Inc. is also subject to taxation in various states in the United States.

PRC

Under the PRC Enterprise Income Tax Law effective from January 1, 2008, our PRC subsidiaries are subject to enterprise income tax (“EIT”) at the statutory rate of 25%, absent preferential tax treatments available to qualified enterprises in certain encouraged sectors of the economy. Mobvista Technology, one of our subsidiaries in PRC, was approved as High and New Technology Enterprise, and accordingly, entitled to a preferential EIT rate of 15% commencing from 2017 according to the applicable EIT Law.

Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from China effective from January 1, 2008. The withholding tax rate may be lowered to a minimum of 5% if there is a tax arrangement between PRC and the jurisdiction of the foreign investors.

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% (for years prior to December 31, 2016) or 175% (for the years ended/ending December 31, 2017, 2018 and 2019) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year. See Note 7(a)(vii) of the Accountants’ Report as set out in Appendix I to this prospectus.

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Profit for the year/period

Our profit for the year/period amounted to US\$8.7 million, US\$19.8 million, US\$27.3 million and US\$10.1 million, respectively for the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018.

Share-based Compensation

In 2014 and 2015, our controlling shareholder, namely Guangzhou Mobvista, adopted a share-based compensation scheme, under which restricted stock units of Guangzhou Mobvista (the “GM RSUs”) will be granted to qualified employees of Guangzhou Mobvista and its subsidiaries, including us. Such scheme aimed to motivate, retain and reward certain employees and directors. Share-based compensation expenses constitute a portion of employee benefit expenses, which were reflected in our general and administrative expenses during the Track Record Period.

All the GM RSUs granted will be vested on specific dates, on condition that employees or directors remain in service but without any performance requirements. Once the vesting conditions underlying the respective GM RSUs are met, the GM RSUs are considered duly and validly issued to the holder, and free of restrictions on transfer. The GM RSUs granted in 2014 were granted at nil consideration and vested in full on December 31, 2017. Out of the total 5,217,965 GM RSUs granted in 2015, 1,000,000 GM RSUs were granted at nil consideration and vested in full on December 31, 2017. The remaining 4,217,965 GM RSUs were granted at a price of RMB2.5 each and will be vested with respect to 30%, 30% and 40% on November 23, 2016, 2017 and 2018, respectively.

Share-based compensation expenses relating to awards granted to employees is based on the grant date fair value of the GM RSUs and is recognized on a straight-line basis over the entire vesting period. The total share-based compensation expenses recognized in the expenses lines of our combined statements of profit or loss were US\$2.9 million, US\$4.5 million, US\$3.2 million and US\$0.4 million for the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, respectively. For details, please see Note 21 of the Accountant’s Report as set out in Appendix I to this prospectus.

As such share-based compensation scheme was adopted and operated by Guangzhou Mobvista, the Group’s ultimate controlling shareholder. The shares underlying the granted GM RSUs will be settled by the shares of Guangzhou Mobvista, therefore there’s no dilutive effect on our earnings per shares.

NON-IFRS MEASURES

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

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We define adjusted EBITDA as EBITDA (which is profit from operations plus depreciation and amortization expenses) for the year adjusted by adding share-based compensation expenses, one-off expenses related to acquisitions and listing expenses. The following table sets forth the reconciliation of profit from operations to EBITDA and adjusted EBITDA, and as a percentage of our revenues for the periods indicated:

		For the Year Ended December 31,						For the six months ended June 30,			
		2015		2016		2017		2017		2018	
		US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
(unaudited)											
(US\$ in thousands, except for percentage)											
Reconciliation of profit from operations to EBITDA and adjusted EBITDA											
Profit from operations		10,291	6.2	22,926	8.1	30,604	9.8	22,879	13.3	11,519	6.2
Add:											
Depreciation		77	0.05	342	0.1	635	0.2	261	0.2	337	0.2
Amortization		583	0.3	2,007	0.7	813	0.3	311	0.2	813	0.4
EBITDA		10,951	6.5	25,275	8.9	32,052	10.2	23,451	13.6	12,669	6.9
Add:											
Share-based compensation expenses		2,916	1.7	4,459	1.6	3,230	1.0	2,347	1.4	391	0.2
One-off expenses related to acquisitions		—	—	316	0.1	447	0.1	237	0.1	34	0.0
Listing expenses		—	—	—	—	—	—	—	—	1,887	1.0
Adjusted EBITDA		13,867	8.3	30,050	10.6	35,729	11.4	26,035	15.1	14,981	8.1

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2018 Compared to Six Months Ended June 30, 2017

Revenues

Our revenues increased by 7.0% from US\$172.3 million in the six months ended June 30, 2017 to US\$184.5 million in the six months ended June 30, 2018. This increase was primarily due to an increase of US\$12.9 million in revenues generated from our mobile advertising services, and partially offset by a decrease of US\$0.8 million in revenues from game publishing.

Our revenues generated from mobile advertising services increased by 7.5% from US\$171.5 million in the six months ended June 30, 2017 to US\$184.4 million in the six months ended June 30, 2018, primarily driven by an increase of US\$58.0 million in revenues generated from content and social apps, as major China-based short video app developers significantly increased their ad campaign budgets aiming to acquire potential users overseas. Our revenues from programmatic advertising increased from US\$62.2 million in the six months ended June 30, 2017 to US\$88.2 million in the six months ended June 30, 2018, driven by further development of Mintegral platform and our strengthened service capabilities, in particular we set up a special sales team in early 2018 solely responsible for promoting programmatic advertising to advertisers and addressing their unique user acquisition needs.

Our revenues generated from game publishing decreased by 96.1% from US\$0.8 million in the six months ended June 30, 2017 to US\$32,000 in the six months ended June 30, 2018, due to the further ramp down of our game publishing operations.

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Costs of Sales

Our costs of sales increased by 16.8% from US\$124.3 million in the six months ended June 30, 2017 to US\$145.2 million in the six months ended June 30, 2018, primarily due to an increase in costs of sales of mobile advertising services, partially offset by a decrease in costs of sales for game publishing.

Our costs of sales for mobile advertising services increased by 17.3% from US\$123.8 million in the six months ended June 30, 2017 to US\$145.2 million in the six months ended June 30, 2018, primarily due to (i) an increase of US\$18.4 million in traffic acquisition costs, which mainly consists of a US\$7.9 million increase in incentives paid to certain strategically important high quality publishers to incentivize them to integrate into our Mintegral SDKs and (ii) an increase of US\$3.0 million in server costs attributable to the growing number and sophistication of servers we utilize to accommodate our business growth.

App developers typically integrate only a limited number of SDKs, which we believe makes it strategically critical for us to attract them to integrate into our Mintegral SDKs in order to create entry barriers to other market players and reinforce our competitive advantage in programmatic advertising. From 2015 to 2017, our main focus was to lay a solid foundation for the sustainable growth of our programmatic advertising operations, including strengthening technological competencies and improving manpower capabilities. During this period, our programmatic advertising experienced strong growth and came to a sizable scale with mature operation at the end of 2017. Our Directors then determined to implement new initiatives to drive further revenue growth from programmatic advertising, by improving the quality of our publisher pool and traffic acquired. Commencing in early 2018, we began to strategically offer favorable contractual terms to certain high-quality publishers with sizable established user bases and favorable user demographics. Under such terms, we require these publishers to install our Mintegral SDK. Moreover, publishers and we generally set a revenue target measured by different pricing model for a certain period of time. The revenue target is subject to adjustment closely relating to the market conditions. If the actual revenue generated for the publishers is lower than the revenue target, we will pay them any differences in the form of cash incentives, normally on a monthly basis. In selecting publishers eligible for cash incentives, we take into account several factors, including the app type, the ranking of the apps, the number of DAUs, the user base of the apps and others which we believe cater to our advertisers' needs.

The successful execution of such scheme has led to a 41.8% growth of our programmatic advertising revenue from US\$62.2 million in the first half of 2017 to US\$88.2 million in the same period of 2018. Programmatic advertising revenues as a percentage of our total mobile advertising revenues increased from 36.3% to 47.8% in the corresponding periods. In addition, revenue generated from publishers who received our cash incentives reached US\$19.7 million for the six months ended June 30, 2018. The average DAU for these publishers increased by 58.6% from the six months ended June 30, 2017 to the same period in 2018. Leveraging our cooperation and brand influence brought by these newly integrated high-quality publishers, we expect to, on the one hand, attract more app developers with higher ad campaign budgets as our advertisers, and on the other hand, attract a larger amount of other apps to cooperate with us as publishers in the future.

Our costs of sales for game publishing decreased by 96.2% from US\$0.5 million in the six months ended June 30, 2017 to US\$21,000 in the six months ended June 30, 2018, attributable to the further ramp-down of game publishing business.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by 18.2% from US\$48.0 million in the six months ended June 30, 2017 to US\$39.3 million in the six months ended June 30, 2018 and our gross profit margin decreased from 27.9% in the six months ended June 30, 2017 to 21.3% in six months ended June 30, 2018.

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Our gross profit margin for mobile advertising services decreased from 27.8% in the six months ended June 30, 2017 to 21.3% in the six months ended June 30, 2018, primarily due to (i) increased incentives paid to strategically important high quality publishers to incentivize them to integrate our Mintegral SDKs and (ii) increased server costs related to our programmatic advertising services as we further built up our business.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 5.5% from US\$3.2 million in the six months ended June 30, 2017 to US\$3.0 million in the six months ended June 30, 2018, primarily due to a decrease of US\$0.2 million in employee benefit expenses, resulting from a decrease in sales commissions paid to our selling and marketing personnel associated with the decrease in our gross profit over the corresponding periods.

Research and Development Expenses

Our research and development expenses increased by 78.2% from US\$6.9 million in the six months ended June 30, 2017 to US\$12.2 million in the six months ended June 30, 2018, primarily due to (i) an increase of US\$4.0 million in employee benefit expenses as a result of increased headcount and salaries for our research and development experts and new talent hires, particularly those focused on big data processing, AI model optimization and game data analytical capabilities; (ii) an increase of US\$0.8 million in technical service fees, primarily due to an increase of outsourcing service fees we paid to Beijing Huiju Shanhe and (iii) an increase of US\$0.5 million in amortization of the game data analytical platform developed by Game Analytics ApS.

General and Administrative Expenses

Our general and administrative expenses decreased by 10.4% from US\$15.8 million in the six months ended June 30, 2017 to US\$14.2 million in the six months ended June 30, 2018, primarily due to (i) a decrease of US\$1.4 million in employee benefit expenses, primarily attributable to a decrease in share-based compensation and (ii) a decrease of US\$1.2 million in impairment losses on trade receivables, mainly due to our improved internal control measures. Such decrease was partially offset by an increase of US\$1.7 million in consulting and professional services fees associated with preparation for the Listing.

Other Net Income

Our other net income increased by 122.6% from US\$0.8 million in the six months ended June 30, 2017 to US\$1.7 million in the six months ended June 30, 2018, primarily due to (i) an increase of US\$0.9 million in net foreign exchange gains resulting from fluctuations in the exchange rate of U.S. dollars in the first half of 2018, (ii) an increase of US\$0.8 million in interest income as a result of Guangzhou Mobvista's borrowings from us for its property purchase, and (iii) an increase of US\$0.3 million in government grants. The increase was partially offset by a decrease of US\$0.9 million in gain on disposal of available-for-sale investments. In 2017, we recognized income deriving from MIT HK disposing an equity investment it then held, whereas no investments were disposed in the first half of 2018.

Finance Costs

Our finance costs increased by 327.8% from US\$54,000 in the six months ended June 30, 2017 to US\$231,000 in the six months ended June 30, 2018, primarily due to an increase in bank borrowings.

Income Tax Expenses

Our income tax expenses decreased by 55.9% from US\$2.6 million in the six months ended June 30, 2017 to US\$1.2 million in the six months ended June 30, 2018, primarily due to a decrease in taxable profits. Our effective income tax rate, calculated by dividing total income tax expenses by profit before taxation, was 10.2% in the six months ended June 30, 2018, remaining relatively stable as it was in 2017.

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Profit For the Period

As a result of the foregoing, our profit for the period decreased by 49.9% from US\$20.2 million in the six months ended June 30, 2017 to US\$10.1 million in the six months ended June 30, 2018. Our net profit margin, which represents profit for the year as a percentage of total revenues, decreased from 11.7% in the six months ended June 30, 2017 to 5.5% in the six months ended June 30, 2018. This is primarily attributable to (i) an increase of US\$7.9 million in incentives paid to strategically important high quality publishers to incentivize them to integrate into our Mintegral SDKs, (ii) an increase of US\$3.0 million in server costs attributable to the growing number and sophistication of servers we utilize to accommodate our business growth, (iii) an increase of US\$2.5 million in overall employee benefit expenses mainly due to increased headcount and salaries for our research and development personnel, and (iv) an increase of US\$1.9 million listing expenses associated with preparation for the Listing.

Our Directors are of the view, which the Joint Sponsors concur, that our business has been sustainable and our profitability is expected to gradually improve, on the basis that: (i) cash incentives will cease to be offered in the first quarter of 2019, which will decrease our cost of sales accordingly, (ii) the organic expansion of our business will continue to drive revenue growth, especially from programmatic advertising, as we believe our efforts in attracting quality publishers to integrate our Mintegral SDK through cash incentives are expected to have a long-term positive impact on our overall business operation even after the cash incentives are no longer provided.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Revenues

Our revenues increased by 10.2% from US\$283.9 million in 2016 to US\$313.0 million in 2017. This increase was primarily due to an increase of US\$44.5 million in revenues generated from our mobile advertising services, partially offset by a decrease of US\$15.4 million in revenues from game publishing.

Our revenues generated from mobile advertising services increased by 16.6% from US\$267.6 million in 2016 to US\$312.0 million in 2017, primarily driven by an increase of US\$41.4 million in revenues generated from game apps resulting from our strategic decision to develop our services for the genre, and the general rising user acquisition needs of mobile game apps developers expanding globally. Our revenues from programmatic advertising increased from US\$80.0 million in 2016 to US\$114.4 million in 2017, driven by our continuous development of our Mintegral platform and improved technological capabilities in programmatic advertising, as well as the growing penetration rate of programmatic ads in the global mobile advertising market in 2017.

Our revenues generated from game publishing decreased by 94.4% from US\$16.3 million in 2016 to US\$0.9 million in 2017, which was in line with our strategic plan in 2016 to gradually ramp down game publishing operations and focus solely on mobile advertising services.

Costs of Sales

Our costs of sales increased by 7.1% from US\$214.8 million in 2016 to US\$230.1 million in 2017, primarily due to an increase in costs of sales of mobile advertising services, partially offset by a decrease in costs of sales for game publishing.

Our costs of sales for mobile advertising services increased by 15.1% from US\$199.2 million in 2016 to US\$229.4 million in 2017, primarily due to (i) an increase of US\$22.3 million in traffic acquisition costs, as we proactively sourced a higher volume of programmatic traffic including higher quality traffic to better serve our advertisers' evolving needs; and (ii) an increase of US\$7.8 million in server costs attributable to the growing number and sophistication of servers we utilize and the increasingly complex algorithms required to further develop our programmatic advertising services.

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Our costs of sales for game publishing decreased by 95.4% from US\$15.6 million in 2016 to US\$0.7 million in 2017, as we gradually ramped down game publishing operations in the fourth quarter of 2016.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 20.0% from US\$69.1 million in 2016 to US\$82.9 million in 2017 and our gross profit margin increased from 24.3% in 2016 to 26.5% in 2017. Our gross profit margin for mobile advertising services increased from 25.5% in 2016 to 26.5% in 2017, primarily due to (i) an increasing number of app developers with higher campaign budgets we attracted in 2017 and (ii) the stronger bargaining power we enjoyed with publishers as a result of expanded business scale. Our gross profit margin for game publishing increased from 4.4% in 2016 to 22.0% in 2017, primarily due to significant decrease in costs of sales after we ceased such operation, while our remaining business still generated revenues.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 43.5% from US\$4.5 million in 2016 to US\$6.4 million in 2017, primarily due to an increase of US\$2.1 million in employee benefit expenses as a result of increased headcount and salaries for our selling and marketing personnel to accommodate our efforts to expand our presence in both domestic and overseas markets.

Research and Development Expenses

Our research and development expenses increased by 157.3% from US\$7.4 million in 2016 to US\$18.9 million in 2017, primarily due to (i) an increase of US\$9.0 million in employee benefit expenses as a result of increased headcount and salaries for our research and development experts and new talent hires, particularly those focused on big data processing, AI model optimization and internal IT infrastructure upgrades; and (ii) an increase of US\$1.9 million in technical service fees for servers facilitating our AI model building and algorithm programming.

General and Administrative Expenses

Our general and administrative expenses decreased by 17.8% from US\$34.9 million in 2016 to US\$28.7 million in 2017, primarily due to a decrease of US\$11.5 million in impairment losses on assets, as we incurred one-time impairment losses on assets in 2016. The one-time impairment losses on assets primarily consist of (i) impairment losses on trade receivables of approximately US\$7.2 million in provisions we made for doubtful debts with one of our customers, and (ii) impairment losses on intangible assets of approximately US\$1.7 million on an ad campaign management system we acquired as part of our acquisition of nativeX, LLC which was later replaced by our Mintegral.

The customer who had doubtful debts with us is an app developer who engaged us to help them acquire users through mobile advertising campaigns and was one of our top customers in 2015, contributing approximately 9.0% of our total revenues in 2015. However, it became apparent to us that such customer had experienced significant financial difficulties in 2016, and we strategically decided to cease further cooperation with it, leading to a decrease of its revenue contribution to only 0.7% and nil in 2016 and 2017, respectively, of our total revenues in the same periods. We have been actively communicating with such customer to recover the late payments and negotiating for possible solutions. However, as such customer's financial situation was not indicative of any potential repayment, after careful analysis, we made provisions for their doubtful debts. To better monitor our exposure to credit risks, we have put in place a series of internal control measures. See “— Financial Risk Disclosure” in this section.

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The intangible assets for which we recognized impairment losses was an ad campaign management system and related monetization technology as part of our acquisition of nativeX, LLC in March 2016. Such system and related technology were separate and different from our self-developed Mintegral. After such acquisition, our management team strategically decided to focus on developing Mintegral to enhance our competitiveness, whereby we integrated the advanced technology from what we acquired into our own and improved the overall sophistication of our self-developed systems. In late 2016, when the Mintegral system was sufficiently advanced to replace the earlier system in whole, we recognized impairment losses on the earlier system accordingly. We no longer use the acquired ad campaign management system in 2018.

The decrease in general and administrative expenses was partially offset by an (i) an increase of US\$3.1 million in travel and general office expenses, primarily due to increased rent and expenses relating to our newly established overseas offices in 2017, and (ii) increase of US\$1.5 million in employee benefit expenses as a result of increased headcount and salaries for our administrative personnel.

Other Net Income

Our other net income increased by 208.9% from US\$0.6 million in 2016 to US\$1.8 million in 2017, primarily due to an increase of US\$0.9 million in gain on disposal of available-for-sale investments derived from an equity investment made by MIT HK and, to a lesser extent, increased interest income and government grants.

Finance Costs

Our finance costs decreased by 75.1% from US\$759,000 in 2016 to US\$189,000 in 2017, as we repaid a portion of our outstanding bank loans during the year.

Income Tax Expenses

Our income tax expenses increased by 29.7% from US\$2.4 million in 2016 to US\$3.1 million in 2017 primarily because our taxable profits increased in the same period. Our effective income tax rate, calculated by dividing total income tax expenses by profit before taxation, decreased from 10.8% in 2016 to 10.2% in 2017. The decrease in our effective income tax rate was primarily because Mobvista Technology, one of our subsidiaries in the PRC, was approved as a High and New Technology Enterprise in December 2017 which entitled it to a preferential EIT rate of 15%, compared to the 25% statutory tax rate applicable to it previously, pursuant to the PRC Enterprise Income Tax Law.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 38.1% from US\$19.8 million in 2016 to US\$27.3 million in 2017. Our net profit margin, which represents profit for the year as a percentage of total revenues, increased from 7.0% in 2016 to 8.7% in 2017.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Revenues

Our revenues increased by 69.8% from US\$167.2 million in 2015 to US\$283.9 million in 2016. This increase was due to an increase of US\$109.3 million in revenues generated from our mobile advertising services and an increase of US\$7.4 million in revenues from game publishing.

Our revenues generated from our mobile advertising services increased by 69.1% from US\$158.3 million in 2015 to US\$267.6 million in 2016, primarily driven by our business expansion into overseas markets, in particular the Americas market, revenues for which increased US\$40.6 million, which is attributable to our strategic acquisition of nativeX, LLC in March 2016. Our revenues from programmatic

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advertising increased from US\$11.7 million in 2015 to US\$80.0 million in 2016, as (i) our Mintegral platform first began to generate substantial revenues in 2016, (ii) our improved technology capabilities in programmatic advertising enabled us to attract more app developers, and (iii) the penetration rate of programmatic ads continued to grow in the global mobile advertising market in the same period.

Our revenues generated from game publishing increased by 82.4% from US\$9.0 million in 2015 to US\$16.3 million in 2016, primarily due to an expansion of our business scale for game publishing in the first half of 2016.

Costs of Sales

Our costs of sales increased by 48.8% from US\$144.4 million in 2015 to US\$214.8 million in 2016, primarily due to increases of costs of sales in both mobile advertising services and game publishing.

Costs of sales for mobile advertising services increased by 45.4% from US\$137.1 million in 2015 to US\$199.2 million in 2016, primarily due to (i) an increase of US\$56.9 million in traffic acquisition costs driven by increased programmatic purchasing in 2016 to accommodate the growth of our programmatic advertising services and (ii) an increase of US\$5.3 million in server costs to support the expansion of our programmatic advertising platform.

Costs of sales for game publishing increased by 114.2% from US\$7.3 million in 2015 to US\$15.6 million in 2016, as the carrying amount of the relevant royalties and license fees paid to certain game developers and IP providers were fully charged to costs of sales after we estimated that the future revenues of related games could not cover the remaining unamortized costs and fees.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 202.4% from US\$22.8 million in 2015 to US\$69.1 million in 2016 and our gross profit margin increased from 13.7% in 2015 to 24.3% in 2016. Our gross profit margin for mobile advertising services increased from 13.4% in 2015 to 25.5% in 2016, primarily due to (i) our expansion into overseas markets in 2016, which generally have higher profit margins and (ii) our stronger bargaining power with advertisers and publishers resulting from our expanded operational scale and active pricing management. Our gross profit margin for game publishing decreased from 18.6% in 2015 to 4.4% in 2016, as we strategically decided to ramp down game publishing in 2016.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 225.5% from US\$1.4 million in 2015 to US\$4.5 million in 2016, primarily due to an increase of US\$2.2 million in employee benefit expenses as a result of increased headcount and salaries for our selling and marketing personnel for overseas markets, in particular as a result of our acquisition of nativeX, LLC.

Research and Development Expenses

Our research and development expenses increased by 214.6% from US\$2.3 million in 2015 to US\$7.4 million in 2016, primarily due to an increase of US\$4.8 million in employee benefit expenses as we had a growing number of technology and engineering talent, in particular as a result of our acquisition of nativeX LLC, and increased their salaries to further strengthen our research and development capabilities.

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General and Administrative Expenses

Our general and administrative expenses increased by 294.2% from US\$8.9 million in 2015 to US\$34.9 million in 2016, primarily due to an increase of US\$12.2 million in impairment losses on assets. For details on the one-time impairment losses on assets we recognized in 2016, see “ — Period-to-Period Comparison of Results of Operations — Year ended December 31, 2017 Compared to Year ended December 31, 2016 — General and Administrative Expenses” in this section. In addition, the increase in general and administrative expenses was also attributable to (i) an increase of US\$8.9 million in employee benefit expenses, due to increased headcount and salaries for our administrative personnel in 2016, as well as an increase in share-based compensation as a result of newly granted restricted share units to our employees in 2015, and (ii) an increase of US\$3.7 million in travel and general office expenses, attributable to our business expansion into overseas markets.

Other Net Income

Our other net income increased from US\$13,000 in 2015 to US\$0.6 million in 2016, primarily due to an increase of US\$0.3 million of interest income generated from our bank deposits.

Finance Costs

Our finance costs increased by 659.0% from US\$100,000 in 2015 to US\$759,000 in 2016, primarily resulting from interest and other financing costs incurred on the loan facilities granted to our overseas subsidiaries in connection with our expansion of overseas business.

Income Tax Expenses

Our income tax expenses increased by 61.2% from US\$1.5 million in 2015 to US\$2.4 million in 2016, primarily due to higher taxable profits partially offset by a lower effective tax rate. Our effective tax rate, calculated by dividing total income tax expenses by profit before taxation, decreased from 14.5% in 2015 to 10.8% in 2016, primarily attributable to (i) tax loss carry forwards we acquired as a result of our acquisition of Game Analytics ApS, and (ii) tax deductible amortization expenses relating to intangible assets and goodwill as a result of our acquisition of nativeX, LLC according to applicable U.S. laws.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 127.1% from US\$8.7 million in 2015 to US\$19.8 million in 2016. Our net profit margin, which represents profit for the year as a percentage of total revenues, increased from 5.2% in 2015 to 7.0% in 2016.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements principally from cash generated from our operating activities, bank loans and capital injections from shareholders. As of December 31, 2015, 2016, 2017 and June 30, 2018, we had cash and cash equivalents of US\$8.9 million, US\$71.9 million, US\$44.8 million and US\$34.7 million, respectively.

Although we recorded negative operating cash flow of US\$1.6 million for the six months ended June 30, 2018, our Directors are of the view, which the Joint Sponsors concur, that our business is sustainable, on the basis that such negative operating cash flow is not a proper basis for assessing our liquidity in the long run, as it was primarily attributable to an increase in cost of sales caused by cash incentives that we began to offer in 2018, but the corresponding positive impact on revenue had not been fully realized during the same period. We expect to gradually achieve stronger revenue growth driven by quality traffic acquired from publishers as a result of offering incentives.

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Cash flow

The following table sets forth a summary of our cash flows for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2015	2016	2017	2017	2018
				(unaudited)	
	(US\$ in thousands)				
Net cash (used in)/generated from operating activities .	(12,694)	31,425	49,198	36,300	(1,555)
Net cash used in investing activities	(2,698)	(31,811)	(71,518)	(10,082)	(3,860)
Net cash generated from/(used in) financing activities.	<u>24,011</u>	<u>62,934</u>	<u>(4,698)</u>	<u>44</u>	<u>(4,621)</u>
Net increase/(decrease) in cash and cash equivalents.	8,619	62,548	(27,018)	26,262	(10,036)
Cash and cash equivalents at the beginning of the year	—	8,864	71,884	71,884	44,797
Effects of foreign exchange rate changes	<u>245</u>	<u>472</u>	<u>(69)</u>	<u>(156)</u>	<u>(19)</u>
Cash and cash equivalents at end of the year	<u>8,864</u>	<u>71,884</u>	<u>44,797</u>	<u>97,990</u>	<u>34,742</u>

Net cash generated from/(used in) operating activities

For the six months ended June 30, 2018, net cash used in operating activities was US\$1.6 million. This net cash outflow was primarily attributable to our profit before taxation of US\$11.3 million, as adjusted by (i) the add-back of non-cash items, including a decrease of US\$1.0 million in interest income; and (ii) changes in working capital, principally comprising an increase of US\$34.8 million in trade and other receivables. Such operating cash outflow was primarily due to (i) increased incentive paid to a certain number of high quality publishers by cash and (ii) increased salaries and other benefits paid to our research and development personnel by cash throughout the period.

For the year ended December 31, 2017, net cash generated from operating activities was US\$49.2 million. This net cash inflow was primarily attributable to our profit before taxation of US\$30.4 million, as adjusted by (i) the add-back of non-cash items, principally comprising US\$3.2 million in equity-settled share-based payment expenses and US\$1.3 million in impairment losses on trade and other receivables; and (ii) changes in working capital, principally comprising a decrease of US\$16.2 million in trade and other receivables and an increase of US\$4.7 million in trade and other payables. Our changes in working capital in 2017 were primarily attributable to our further business growth and improved collection efforts for receivables from our customers. Starting from 2016, we increased our efforts to collect receivables effectively, for example, by including such as one of the KPIs in evaluating our sales team. Such efforts led to a decrease of trade receivables turnover days from 123 in 2016 to 91 in 2017.

For the year ended December 31, 2016, net cash generated from operating activities was US\$31.4 million. This net cash inflow was primarily attributable to profit before taxation of US\$22.2 million, as adjusted by (i) the add-back of non-cash items, principally comprising US\$12.8 million in impairment losses on trade receivables and intangible assets, see “— Period-to-Period Comparison of Results of Operations — Year Ended December 31, 2017 Compared to Year Ended December 31, 2016 — General and Administrative Expenses” in this section, US\$4.5 million in equity-settled share-based payment expenses, and US\$2.0 million in amortization of intangible assets, namely game publishing related royalties and developed

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technologies; and (ii) changes in working capital, principally comprising an increase of US\$46.5 million in trade and other receivables and an increase of US\$36.0 million in trade and other payables. We transitioned from negative operating cash flow in 2015 to positive operating cash flow in 2016, primarily due to our continuous business growth and expansion as well as improved accounts receivables collection management. Moreover, while our business grew, we have gradually benefited from economies of scale which gave us stronger bargaining power in obtaining more favorable credit terms from our suppliers.

For the year ended December 31, 2015, net cash used in operating activities was US\$12.7 million. This net cash outflow comprised our profit before taxation of US\$10.2 million, as adjusted by (i) the add-back of non-cash items, principally comprising US\$2.9 million in equity-settled share-based payment expenses and (ii) changes in working capital, principally comprising an increase of US\$58.2 million in trade and other receivables and an increase of US\$30.9 million in trade and other payables. The operating cash outflow in 2015 was primarily due to a large increase in trade receivables. At an early stage of our business operations, we were primarily revenue-driven, focusing more on attracting new customers and generating revenues than on collecting trade receivables in a timely manner. In addition, as an emerging market player back in 2015, with little bargaining power, we were in a weak position to negotiate for favorable credit terms, which also negatively affected our cash flow in the same period.

Net cash used in investing activities

For the six months ended June 30, 2018, net cash used in investing activities was US\$3.9 million, primarily due to (i) US\$1.9 million in investments in other financial assets, mainly consisting of a loan extended to an Indonesian internet finance company by MIT HK and a convertible promissory note issued by an independent third-party app developer based in Hong Kong, and (ii) US\$1.6 million in payment for intangible assets, namely the game data analytics platform developed by Game Analytics ApS.

For the year ended December 31, 2017, net cash used in investing activities was US\$71.5 million, primarily due to (i) prepayment for properties of US\$66.0 million in connection with Guangzhou Ruisou's purchase of office premises in Guangzhou; (ii) US\$3.1 million in deferred consideration paid for our acquisition of nativeX, LLC; (iii) the payment of US\$2.7 million of intangible assets, namely the statistical platform acquired from Game Analytics ApS; (iv) US\$1.5 million in proceeds from disposal of available-for-sale investments derived from an equity investment made by MIT HK and (v) our purchase of property, plant and equipment of US\$1.1 million primarily in connection with our additions in leasehold improvements and office equipment, furniture and fittings. The prepayments for properties of US\$66.0 million in connection with the purchase of office premises by Guangzhou Ruisou, an entity under common control with us, were reflected in our Group's historical financial information for the year ended and as of December 31, 2017 in accordance with applicable IFRS issued by the International Accounting Standards Board. See "— Basis of Presentation" in this section and Note 1.2 of the Accountants' Report set out in Appendix I to this prospectus.

For the year ended December 31, 2016, net cash used in investing activities was US\$31.8 million, primarily due to (i) our payment of consideration for our acquisitions of nativeX, LLC in March 2016 and Game Analytics ApS in August 2016 in amount of US\$29.8 million, and (ii) the purchase of intangible assets of US\$1.0 million in connection with software and games royalties. For details of acquisition of our subsidiaries, see Note 24 to Accountants' Report set out in the Appendix I to this prospectus.

For the year ended December 31, 2015, net cash used in investing activities was US\$2.7 million, primarily due to (i) purchase of intangible assets of US\$1.6 million in connection with software and games royalties and (ii) purchase of property, plant and equipment of US\$1.1 million which mainly relates to office renovation.

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Net cash generated from/(used in) financing activities

For the six months ended June 30, 2018, net cash used in financing activities was US\$4.6 million, primarily due to (i) US\$45.6 million in repayment we made to related parties, (ii) US\$27.4 million in repayment of bank loans and (iii) US\$2.0 million in deemed distribution to Guangzhou Mobvista. This was partially offset by (i) US\$36.6 million in proceeds from bank loans and (ii) a decrease of US\$34.8 million in restricted cash pledged as security for the office premises purchased by Guangzhou Ruisou, as part of it had been released and the remaining had been retained by Guangzhou Mobvista and reflected as deemed distribution to it. See “— Basis of Presentation” in this section and Note 1.2 of the Accountants’ Report set out in Appendix I to this prospectus.

For the year ended December 31, 2017, net cash used in financing activities was US\$4.7 million, primarily due to (i) an increase in restricted cash of US\$47.5 million, as we pledged cash as security for certain loans; (ii) US\$19.9 million in bank loan repayments; (iii) US\$15.0 million in repayment to related parties and (iv) US\$5.9 million in dividends paid. This was partially offset by (i) US\$54.6 million in proceeds from bank loans and (ii) US\$29.1 million in capital injection from existing shareholders. A portion of the restricted cash was pledged as security for loans in connection with the purchase of our office premises by Guangzhou Ruisou, an entity under common control with us, and was reflected in our Group’s historical financial information for the year ended and as of December 31, 2017 in accordance with applicable IFRS issued by the International Accounting Standards Board. See “— Basis of Presentation” in this section and Note 1.2 of the Accountants’ Report set out in Appendix I to this prospectus.

For the year ended December 31, 2016, net cash generated from financing activities was US\$62.9 million, primarily due to (i) US\$72.7 million in proceeds from bank loans and (ii) US\$67.9 million in advances from related parties, partially offset by US\$77.0 million in bank loan repayments.

For the year ended December 31, 2015, net cash generated from financing activities was US\$24.0 million, primarily due to (i) US\$22.2 million in proceeds from bank loans and (ii) US\$14.2 million in advances from related parties, partially offset by US\$12.3 million in bank loan repayments.

DISCUSSION OF CERTAIN KEY COMBINED BALANCE SHEETS ITEMS

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of	As of
	2015	2016	2017	June 30,	September 30,
				2018	2018
					(unaudited)
	(US\$ in thousands)				
Current assets:					
Trade receivables and other receivables . .	57,764	102,346	118,132	172,948	137,345
Restricted cash	104	121	47,618	345	—
Cash and cash equivalents	8,864	71,884	44,797	34,742	19,715
Current tax recoverable	—	5	266	757	770
Total current assets	<u>66,732</u>	<u>174,356</u>	<u>210,813</u>	<u>208,792</u>	<u>157,830</u>
Current liabilities:					
Trade and other payables	45,312	167,150	180,958	170,221	91,858
Current taxation	3,007	7,893	7,263	1,659	3,196
Bank loans	5,368	5,710	7,587	17,939	36,402
Total current liabilities	<u>53,687</u>	<u>180,753</u>	<u>195,808</u>	<u>189,819</u>	<u>131,456</u>
Net current (liabilities)/assets	<u>13,045</u>	<u>(6,397)</u>	<u>15,005</u>	<u>18,973</u>	<u>26,374</u>

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As of September 30, 2018, we had net current assets of US\$26.4 million, which increased by 38.7% as compared to net current assets of US\$19.0 million as of June 30, 2018, primarily due to a decrease of US\$78.4 million in trade and other payables, which is partially offset by a decrease of US\$35.6 million in trade and other receivables.

As of June 30, 2018, we had net current assets of US\$19.0 million, which increased by 26.4% as compared to net current assets of US\$15.0 million as of December 31, 2017, primarily due to (i) an increase of US\$54.8 million in trade and other receivables; (ii) a decrease of US\$10.7 million in trade and other payables; and (iii) a decrease US\$5.6 million in current taxation, which is partially offset by a decrease of US\$47.3 million in restricted cash and a decrease of US\$10.1 million in cash and cash equivalents.

As of December 31, 2016, we recorded net current liabilities of US\$6.4 million. Such negative position was primarily due to US\$167.2 million trade and other payables we recorded as of the same date, including US\$85.4 million in amounts due to related parties, i.e. Seamless and Guangzhou Mobvista, as a result of then within-group financing arrangements. It was only included in the current Group's financial statements on combined basis. See “— Material Related Party Transactions” in this section.

Trade and other receivables

Our trade and other receivables primarily consist of (i) trade receivables; (ii) deposits and prepayments and (iii) amount due from related parties. Our trade receivables are amounts due from our customers, primarily our advertisers, for our mobile advertising services as agreed in pre-determined arrangements. Trade receivables are classified as current assets if they are expected to be collected in one year or less (or more than one year within the normal operating cycle of the applicable business). Otherwise, they are presented as non-current.

The following table sets forth our trade and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Trade receivables	56,700	107,371	89,857	121,021
Less: allowance for doubtful debts	(571)	(11,612)	(12,090)	(12,743)
	<u>56,129</u>	<u>95,759</u>	<u>77,767</u>	<u>108,278</u>
Deposits and prepayments	853	1,028	68,651	5,086
Amounts due from related parties	151	3,293	35,896	56,785
Other receivables	631	2,291	1,810	2,799
	<u>57,764</u>	<u>102,371</u>	<u>184,124</u>	<u>172,948</u>
Less: Non-current deposits and prepayments	—	(25)	(65,992)	—
Total	<u>57,764</u>	<u>102,346</u>	<u>118,132</u>	<u>172,948</u>

As of August 31, 2018, US\$64.1 million of trade receivables, accounting for 59.2% of the total trade receivables as of June 30, 2018, were subsequently settled. All the amounts due from related parties have been fully settled.

Our net trade and other receivables increased by 46.4% from US\$118.1 million as of December 31, 2017 to US\$172.9 million as of June 30, 2018, primarily due to (i) an increase of US\$30.5 million in trade receivables, resulting from expanded scale of our business operations, (ii) an increase of US\$20.9 million in amounts due from related parties, see “— Material Related Parties Transactions” in this section. This was partially offset by a decrease of US\$63.6 million in deposits and prepayments in relation to newly purchased

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office premises in Guangzhou made by Guangzhou Ruisou, as this was retained by Guangzhou Mobvista as of May 31, 2018 and had been later reflected as deemed distribution to it. See “— Basis of Presentation” in this section and Note 1.2 of the Accountants’ Report set out in Appendix I to this prospectus.

Our net trade and other receivables increased by 15.4% from US\$102.3 million as of December 31, 2016 to US\$118.1 million as of December 31, 2017, primarily due to (i) an increase of US\$67.6 million in deposits and prepayments to the developer for newly purchased office premises in Guangzhou, and (ii) an increase of US\$32.6 million in amounts due from a related party, Guangzhou Mobvista. See “— Material Related Party Transactions” in this section. The increase was partially offset by a decrease of US\$18.0 million in trade receivables, primarily due to our enhanced collection management efforts in 2017.

Our net trade and other receivables increased by 77.2% from US\$57.8 million as of December 31, 2015 to US\$102.3 million as of December 31, 2016, primarily due to an increase of US\$39.6 million in trade receivables which is attributable to our revenue growth in the same period.

The following table sets forth an aging analysis of our trade receivables based on invoice dates as of the dates indicated:

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Up to three months	43,369	75,675	55,194	84,901
Three to six months	11,876	12,401	10,141	12,718
Six to 12 months	884	6,777	8,944	7,088
Over 12 months	—	906	3,488	3,571
Total	<u>56,129</u>	<u>95,759</u>	<u>77,767</u>	<u>108,278</u>

Our trade receivables turnover ratio is affected by various factors, including the different settlement habits our customers may have due to the different geographic regions in which they are located. The following table sets forth the number of turnover days for our trade receivables for the periods indicated:

	For the year ended December 31,			For the six months ended
	2015	2016	2017	June 30,
				2018
Trade receivables turnover days ⁽¹⁾	123	123	91	106

Note:

- (1) We calculate the trade receivables turnover days using the ending balance of trade receivables for the year, divided by revenue for the relevant year, multiplied by 365 days for 2015 and 2017, 366 days for 2016 and 180 days for a six-month period.

Our trade receivables turnover days remained stable at 123 in 2015 and 2016, and decreased to 91 in 2017, primarily due to our enhanced collection management efforts. Our trade receivables turnover days increased from 91 days in 2017 to 106 days for the six months ended June 30, 2018, primarily due to our expanded business scale.

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Restricted cash

Restricted cash represents cash that is restricted as to withdrawal for use or pledged as security. The following table sets forth a breakdown of our restricted cash as of the dates indicated:

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Term deposits pledged for bank borrowings	—	—	47,243	—
Other deposits in banks	104	121	375	345
Total	104	121	47,618	345

Our restricted cash remained relatively stable, being US\$104,000 and US\$121,000 as of December 31, 2015 and 2016, respectively and increased to US\$47.6 million as of December 31, 2017, primarily because we pledged cash as security for loans in 2017 in connection with Guangzhou Ruisou's purchase of office premises. This was included into our financial statements only on a combined basis. As of June 30, 2018, our restricted cash decreased to US\$0.3 million, as part of it had been released and the remaining had been retained by Guangzhou Mobvista and reflected as deemed distribution to it as of May 31, 2018. See “ — Basis of Presentation” in this section and Note 1.2 of the Accountants' Report set out in Appendix I to this prospectus.

Trade and other payables

Our trade and other payables primarily consist of (i) trade payables, (ii) amounts due to related parties, (iii) staff costs payables, and (iv) receipt in advance. During the Track Record Period, our trade payables were mainly for traffic we acquired from publishers for our mobile advertising services and programs we acquired from program developers. Trade payables are classified as current liabilities if payment is due within one year or less (or in normal operating cycle of the business if longer), and as non-current liabilities if due over one year. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

The following table sets forth the breakdown of our trade and other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Trade payables	28,639	62,362	66,700	90,012
Amounts due to related parties	14,373	85,408	102,964	69,093
Dividends payable	—	5,475	—	—
Other payables	533	6,363	3,239	4,653
Receipt in advance	306	2,826	1,893	3,133
Staff costs payables	1,444	3,568	5,447	3,080
VAT and other tax payables	17	1,148	715	250
Total	45,312	167,150	180,958	170,221

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Trade and other payables decreased by 5.9% from US\$181.0 million in 2017 to US\$170.2 million as of June 30, 2018, primarily due to (i) a decrease of US\$33.9 million in amounts due to related parties, see “— Material Related Parties Transactions” in this section and (ii) a decrease of US\$2.4 million in staff costs payables. This was partially offset by (i) an increase of US\$23.3 million in trade payables, which is attributable to our expanded business operations and (ii) an increase of US\$1.4 million in other payables primarily in relation to preparation of the Listing.

Amounts due to related parties of US\$48.2 million and other payables of US\$3.4 million were subsequently reflected as a deemed distribution to Guangzhou Mobvista on May 31, 2018 in connection to our reorganization. See “— Basis of Presentation” in this section and Note 1.2 of the Accountants’ Report set out in Appendix I to this prospectus.

Trade and other payables increased by 8.3% from US\$167.2 million in 2016 to US\$181.0 million in 2017, primarily due to (i) a US\$17.6 million increase in amounts due to a related party, Guangzhou Mobvista, see “— Material Related Party Transactions” in this section, and (ii) a US\$4.3 million increase in trade payables as a result of our business growth.

Trade and other payable increased by 268.9% from US\$45.3 million in 2015 to US\$167.2 million in 2016, primarily due to (i) a US\$71.0 million increase in amounts due to related party, Seamless. See “— Material Related Party Transactions” in this section; (ii) a US\$33.7 million increase of trade payables, which is mainly attributable to our business growth; (iii) a US\$5.8 million increase in other payables mainly relating to remaining payment of consideration for our acquisition of nativeX, LLC in 2016, and (iv) a US\$5.5 million increase in dividends payable.

The following table sets forth the aging analysis of our trade payables based on invoice date as of the dates indicated:

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Up to one month	18,627	25,662	20,007	32,105
One to two months	5,087	15,234	13,896	20,573
Two to three months	2,103	8,890	8,981	17,163
Over three months	2,822	12,576	23,816	20,171
Total	28,639	62,362	66,700	90,012

The following table sets forth the number of turnover days for our trade payables for the periods indicated:

	For the year ended December 31,			For the six months ended
	2015	2016	2017	June 30,
				2018
Trade payables turnover days ⁽¹⁾	72	106	106	112

Note:

- (1) We calculate the trade payable turnover days using the ending balance of trade payable for the year, divided by costs of sales for the relevant year, multiplied by 365 days for 2015 and 2017, 366 days for 2016 and 180 days for a six-month period.

Our trade payables turnover days increased from 72 in 2015 to 106 in 2016 and 2017 and further increased to 112 in the six months ended June 30, 2018, primarily due to our stronger bargaining power in negotiations with suppliers, which brought us better payment schedules during the Track Record Period.

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As of the Latest Practicable Date, all of the trade and other payables are expected to be settled or recognized as income within one year or are repayable on demand.

WORKING CAPITAL

We intend to finance our working capital with cash generated from our operations, the net proceeds from the Global Offering and other funds raised from capital markets from time to time.

During the Track Record Period and up to the Latest Practicable Date, we have financed our operations primarily through cash generated from our operations, bank loans and capital injections. As of June 30, 2018, we had US\$34.7 million in cash and cash equivalents. Our Directors are of the view that, taking into account the net proceeds of the Global Offering, our current cash and cash equivalents and our anticipated cash flows from operations, we have sufficient working capital for our present requirements, that is, for at least 12 months following the date of this prospectus.

INDEBTEDNESS, CONTINGENT LIABILITIES AND OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Borrowings

During the Track Record Period, we incurred borrowings to finance our capital expenditure and working capital requirements, which were primarily denominated in US dollars. The following table sets forth a breakdown of our outstanding borrowings as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2015	2016	2017	2018	2018
					(unaudited)
	(US\$ in thousands)				
Current liabilities:					
Bank loans ⁽¹⁾	5,368	5,710	7,587	17,939	36,402
Non-current liabilities:					
Bank loans ⁽¹⁾	4,580	—	32,856	—	—
Total	9,948	5,710	40,443	17,939	36,402

Note:

(1) For details of our bank loans, see Note 18 of the Accountants' Report set out in Appendix I to this prospectus.

The following table sets forth the maturity profile of our bank loans as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2015	2016	2017	2018	2018
					(unaudited)
	(US\$ in thousands)				
Within one year or on demand	5,368	5,710	7,587	17,939	36,402
After one year but within two years	4,580	—	—	—	—
After two years but within five years	—	—	32,856	—	—
Total	9,948	5,710	40,443	17,939	36,402

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The following table sets forth the security situation of our bank loans as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2015	2016	2017	2018	2018
	(US\$ in thousands)				(unaudited)
Unsecured	9,948	5,710	7,587	17,939	34,700
Secured	—	—	32,856	—	1,702
Total	9,948	5,710	40,443	17,939	36,402

As of September 30, 2018, we had bank loans of US\$36.4 million denominated in US dollars and HK dollars, and our unutilized banking facilities amounted to US\$41.8 million.

As of December 31, 2017, we had bank loans of US\$40.4 million, including (i) US\$7.6 million in short-term bank loans under a one-year US\$22.0 million banking facility we obtained from HSBC, which was guaranteed by Guangzhou Mobvista; and (ii) US\$32.9 million in a five-year loan from HSBC for our office premises in Guangzhou, collateralized by a pledge of bank deposits of US\$47.2 million, which was recorded as restricted cash in our combined statements of financial positions. The US\$32.9 million five-year loan from HSBC was included in our Group's financial statements as of December 31, 2017 on a combined basis, and was reflected as a deemed distribution to Guangzhou Mobvista on May 31, 2018 in connection with our reorganization. See “— Basis of Presentation” in this section and Note 1.2 of the Accountants' Report set out in Appendix I to this prospectus. HSBC has indicated in writing their agreement in principle to the release of the guarantee by Guangzhou Mobvista in connection with the US\$22.0 million one-year banking facility upon the receipt of a guarantee from our Company upon our successful listing on the Main Board of the Stock Exchange.

As of December 31, 2016, we had bank loans of US\$5.7 million, including (i) US\$1.6 million in short-term bank loans, drawn down under a US\$15.0 million one-year banking facility from HSBC, which was guaranteed by Guangzhou Mobvista; and (ii) US\$4.1 million in short-term bank loans from Bank of China, which was secured by a letter of credit guaranteed by Guangzhou Mobvista.

As of December 31, 2015, we had bank loans of US\$10.0 million, including (i) US\$9.2 million in short-term loan balances borrowed from Bank of China, which was secured by a letter of credit guaranteed by Guangzhou Mobvista, and (ii) US\$0.8 million in short-term bank loans, drawn down under a one-year banking facility from HSBC of US\$4.0 million, guaranteed by certain individual shareholders of Guangzhou Mobvista.

For the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, the effective interest rates for our bank loans ranged from 1.21% to 4.60%, 1.51% to 4.64%, 2.38% to 4.90% and 1.80% to 4.90%, respectively.

All of our banking facilities are subject to the fulfilment of covenants relating to certain of our balance sheet ratios, as are commonly found in lending arrangements with financial institutions. We regularly monitor our compliance with these covenants. See Note 25(b) of Accountants' Report in the Appendix I to this prospectus for more details of our management of liquidity risk. As of December 31, 2015, 2016, 2017 and June 30, 2018, none of the covenants relating to drawn down facilities had been breached.

Contingent Liabilities

As of December 31, 2015, 2016, 2017, June 30 and September 30, 2018, we did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

FINANCIAL INFORMATION

Off-balance Sheet Commitments and Arrangements

As of June 30, 2018, we had not entered into any off-balance sheet transactions.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period primarily consisted of expenditures on (i) property, plant and equipment, and (ii) intangible assets, including royalties, software, trademark and developed technologies.

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

	For the year ended December 31,			For the six months ended June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Property, plant and equipment.	1,058	664	1,076	452
Intangible assets	1,641	1,049	2,706	1,564
Prepayment for properties.	—	—	65,966	662
Total	<u>2,699</u>	<u>1,713</u>	<u>69,748</u>	<u>2,678</u>

We expect to incur capital expenditures of approximately US\$1.6 million primarily for office renovations and equipment in the year ending December 31, 2018.

COMMITMENTS

Capital Commitments

As of December 31, 2015, 2016, 2017 and June 30, 2018, we did not have any capital commitments.

Operating Lease Commitments

During the Track Record Period, we leased a number of properties for our offices under non-cancellable operating lease agreements. The leases typically run for an initial period for three to five years, at the end of which all terms are renegotiated.

The following table sets forth our future aggregate minimum lease payments under non-cancellable operating leases for office and warehouse facilities as of the dates indicated:

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Within one year.	736	1,725	2,341	1,597
After one but within five years	2,781	2,343	1,888	2,322
Total	<u>3,517</u>	<u>4,068</u>	<u>4,229</u>	<u>3,919</u>

FINANCIAL INFORMATION

MATERIAL RELATED PARTY TRANSACTIONS

Transactions with Related Parties

The following table sets forth the transactions we had with related parties for the periods indicated:

	For the year ended December 31,			Six months ended June 30,	
	2015	2016	2017	2017	2018
	(unaudited)				
	(US\$ in thousands)				
Receiving management and rental services from					
- Guangzhou Mobvista	—	1,700	3,033	1,309	236
- Guangzhou Gamo	650	—	—	—	—
Receiving research and development services from					
- Beijing Huiju Shanhe	—	—	—	—	470
Purchase of fixed assets from					
- Guangzhou Gamo	125	—	—	—	—
Purchase royalties from					
- Guangzhou Gamo	49	—	—	—	—
- MNC HK.	592	—	—	—	—
Receiving loans interest from					
- Guangzhou Mobvista	—	—	—	—	709

Amounts due from/to Related Parties

Receivables and payables from/to the related parties were unsecured, interest-free and repayable on demand. The amounts due from related parties are neither past due nor impaired. The following table sets forth the amounts due from and due to related parties as of the dates indicated:

	As of December 31,			As of June 30,
	2015	2016	2017	2018
	(US\$ in thousands)			
Amounts due from related parties:				
Trade-related				
Other receivables				
- Guangzhou Ruisou	—	—	—	9,688
- Shenzhen Huirui	—	—	—	948
Non-trade receivables from related parties				
- Seamless	—	—	1,945	—
- Guangzhou Mobvista	—	166	30,812	36,780
- Guangzhou Jianda	151	243	—	—
- Zhuhai Huiliang	—	2,884	3,139	3,250
- Guangzhou Ruisou	—	—	—	4,091
- Huiju Shanhe	—	—	—	2,028
- Shenzhen Huirui	—	—	—	—
	<u>151</u>	<u>3,293</u>	<u>35,896</u>	<u>56,785</u>

FINANCIAL INFORMATION

	As of December 31,			As of June 30,
	2015	2016	2017	2018
(US\$ in thousands)				
Amounts due to related parties:				
Trade-related				
Other payables				
- Guangzhou Ruisou	—	—	—	11,143
- Huiju Shanhe	—	—	—	13,871
Non-trade-related				
Other payables				
- Seamless	9,999	78,639	70,528	35,336
- Guangzhou Mobvista ⁽¹⁾	4,374	6,769	25,455	—
- Guangzhou Jianda	—	—	6,858	625
- Zhuhai Huiliang	—	—	123	—
- Guangzhou Ruisou	—	—	—	7,872
- Shenzhen Huirui	—	—	—	246
	<u>14,373</u>	<u>85,408</u>	<u>102,964</u>	<u>69,093</u>

Note:

- (1) Borrowing arrangements among Guangzhou Ruisou, Guangzhou Jianda and Guangzhou Mobvista, which are included in our financial statements on combined basis. This balance was reflected as deemed distribution to Guangzhou Mobvista on May 31, 2018 in connection with the completion of our reorganization. See Note 1.2 of Accountants' Report set out in Appendix I to this prospectus.

As of June 30, 2018, amounts due from related parties totaled US\$56.8 million, and amounts due to relate parties totaled US\$69.1 million. As of Latest Practicable Date, all amounts due from and due to related parties have been settled by cash. All of our remaining related party transaction balances have been fully settled.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2015	2016	2017	2017	2018
Profitability ratios					
Gross profit margin ⁽¹⁾	13.7%	24.3%	26.5%	27.9%	21.3%
Net profit margin ⁽²⁾	5.2%	7.0%	8.7%	11.7%	5.5%
EBITDA margin ⁽³⁾	6.5%	8.9%	10.2%	13.6%	6.9%
Adjusted EBITDA margin ⁽⁴⁾	8.3%	10.6%	11.4%	15.1%	8.1%

Notes:

- (1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Net profit margin is calculated based on profit for the year divided by revenue and multiplied by 100%.
- (3) EBITDA margin equals EBITDA divided by revenues for the period and multiplied by 100%. See “—Non-IFRS Measures” in this section.
- (4) Adjusted EBITDA margin equals adjusted EBITDA divided by revenues for the period and multiplied by 100%. See “—Non-IFRS Measures” in this section.

See “— Period-to-Period Comparison of Results of Operations” in this section for a discussion of the factors affecting our gross profit margin and net profit margin during the respective periods.

FINANCIAL INFORMATION

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including credit risk, liquidity risk, Interest rate risk and currency risk. We regularly monitor our exposure to these risks. Risk management is carried out by our senior management.

Credit risk

Credit risk arises from cash and cash equivalents, restricted cash and trade and other receivables. The carrying amount of each class of our financial assets represents our maximum exposure to credit risk in relation to the corresponding class of financial assets. We have a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

To manage this risk, deposits are mainly placed with state-owned financial institutions in the PRC and reputable international financial institutions outside PRC. There has been no recent history of default in relation to these financial institutions. We do not obtain collateral from customers. We do not provide any other guarantees which would expose us to credit risk.

Our trade and other receivables primarily comprise of amounts receivable from customers with no recent history of material defaults. Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. To this end, we have put in place internal risk control procedures involving pre-deal and post-deal risk control mechanisms. Before a customer enters into a contract with us, we perform credit evaluation focusing on a number of factors, including its place of incorporation, credit history, current liabilities to pay, financial performance and market reputation. Relying on such assessment, we classify our customers into three tiers, each of which is subject to different approval procedures. Accordingly, we designate different types of contract templates with different transaction amount as well as levels of rights and obligations for each tier of customers so that we can effectively control risks before the transaction starts. Afterwards, we regularly monitor and review our trade receivables and we also set up a dedicated team responsible for collecting the long aged debts. Through these schemes, we are committed to effectively controlling the credit risks we are exposed to during business operations.

Liquidity risk

Our individual operating entities are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the management and directors when the borrowings exceed certain predetermined levels of authority. Our policy is to regularly monitor our liquidity requirements to ensure that we maintain sufficient reserves of cash to meet our liquidity requirements in the short and long term.

Interest rate risk

Our interest rate risk arises primarily from variable rates bank loans, which expose us to cash flow interest rate risk.

Currency risk

During the Track Record Period, the major currencies of our receipts and payments were in US dollars. We are exposed to currency risk primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate.

FINANCIAL INFORMATION

DIVIDENDS

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

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

For the year ended December 31, 2016, Guangzhou Ruisou and Shenzhen Huirui declared dividend of US\$5.2 million and US\$0.5 million to their then shareholders, respectively. For the year ended December 31, 2017, MIT HK declared dividend of US\$150,000 to its then shareholders. No dividend has been paid nor declared by our Company since our establishment. Any dividends declared in the past is not indicative of our future dividend policy. The amount of dividend actually distributed to our Shareholders will depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to approval of our shareholders. Our Board has the absolute discretion to recommend any dividend. We do not have any pre-determined dividend pay-out ratio and dividend policy.

DISTRIBUTABLE RESERVES

As of September 30, 2018, the Company did not have any distributable reserves.

LISTING EXPENSES

Listing expenses consist primarily of underwriting commission and professional fees, and are estimated to be approximately US\$11.4 million (assuming an Offer Price of HK\$4.50 per Share, being the mid-point of the indicative offer price range stated in this prospectus), of which (i) approximately US\$1.9 million has been charged to our combined statements of profit or loss during the Track Record Period, and (ii) approximately US\$2.6 million is expected to be charged to our combined statements of profit or loss and US\$6.9 million is expected to be capitalized in the second half of 2018.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules are set out below to illustrate the effect of the Global Offering on the combined net tangible assets attributable to the owners of our Company as of June 30, 2018 as if the Global Offering had taken place on that date.

FINANCIAL INFORMATION

The unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group had our Global Offering been completed as of June 30, 2018 or at any future dates.

	Combined net tangible assets attributable to of our Company as of June 30, 2018	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted combined net tangible assets	Unaudited pro forma adjusted combined net tangible assets per Share	
	US\$000 (note 1)	US\$000 (note 2/4)	US\$000 (note 3/5)	US\$ (note 3)	HK\$ (note 5)
Based on an Offer Price of HK\$5.10 per Share	27,263	197,453	224,716	0.15	1.17
Based on an Offer Price of HK\$3.90 per Share	27,263	150,058	177,321	0.12	0.94

Notes:

- (1) The combined net tangible assets attributable to the equity shareholders of our Company as of June 30, 2018 is calculated based on the combined net assets attributable to the equity shareholders of our Company of US\$60,860,000 as of June 30, 2018 less the intangible assets of US\$4,599,000 and goodwill of US\$28,998,000 as of the date, extracted from the Accountants' Report set out in Appendix I to this Prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Prices of HK\$3.90 and HK\$5.10 per Share, respectively, being the lower end price and higher end price of the stated Offer Price range, after deduction of the underwriting fees and other related expenses payable by our Company (excluding listing expenses of approximately US\$1,887,000 that were charged to profit or loss during the Track Record Period), and 318,867,000 Shares expected to be issued in the Global Offering and does not take account of any Shares which may be issued upon the exercise of the Over-allotment Option, the RSU Schemes and the Share Option Scheme.
- (3) The unaudited pro forma adjusted combined net tangible assets attributable to the equity shareholders of our Company and the amounts per Share are arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 1,518,867,000 Shares are expected to be in issue immediately after the Capitalisation Issue and the Global Offering but taking no account of any shares which may be issued upon the exercise of the Over-allotment Option, the RSU Schemes and the Share Option Scheme.
- (4) The estimated net proceeds from the Global Offering are converted into Hong Kong dollars at a rate of US\$1=HK\$7.8306. No representation is made that the Hong Kong dollars amounts have been, could have been or may be converted into United States dollars, or vice versa at that rate.
- (5) No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to June 30, 2018.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since June 30, 2018 (being the date on which the latest audited combined financial information of our Group was prepared) and there is no event since June 30, 2018 which would materially affect the information shown in our combined financial statements included in the Accountant's Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this prospectus, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business—Our Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

The table below sets forth the estimated aggregate net proceeds which we will receive after deduction of underwriting commissions and estimated expenses payable by us in connection with the Global Offering:

Assuming an Offer Price of HK\$4.50 per Share (being the mid-point of the Offer Price range stated in this Document) HK\$1,360.61 million (equivalent to US\$173.76 million).

Assuming an Offer Price of HK\$5.10 per Share (being the high end of the Offer Price range stated in this Document) HK\$1,546.18 million (equivalent to US\$197.45 million).

Assuming an Offer Price of HK\$3.90 per Share (being the low end of the Offer Price range stated in this Document) HK\$1,175.04 million (equivalent to US\$150.06 million).

We intend to use the net proceeds from the Global Offerings as follows, assuming the Over-allotment Option is not exercised and assuming an Offer Price of HK\$4.50 per Share, being the mid-point of the Offer Price range stated in this prospectus:

Allocation of Proceeds	Specific Purpose	Expected Timeframe
approximately HK\$408.18 million (equivalent to approximately US\$52.13 million and representing 30% of the net proceeds) to enhance our strengths in big data and AI technologies and IT infrastructure	(i) improving the dimension and depth of our database; (ii) optimizing the data analysis capabilities of our big data AI system and the effectiveness of our AI algorithms; (iii) decreasing the operating costs related to our IT infrastructure by optimizing architecture and improving computing capabilities; (iv) exploring opportunities to apply our big data and AI technologies in scenarios other than mobile advertising; and (v) establishing our own computing center at an appropriate time	To be gradually carried out over the next three years
approximately HK\$408.18 million (equivalent to approximately US\$52.13 million and representing 30% of the net proceeds) to enhance and improve the services on our mobile advertising and mobile analytics platform	(i) improving Mintegral, our programmatic advertising platform, by supporting more traffic supply and advertising demand and improving our line-up of programmatic services for app developers; (ii) improving GameAnalytics, our SaaS mobile analytics platform, by enhancing game data analytics capabilities based on our big data AI system and expanding our app developer base; (iii) improving the automation and optimization capacities of our top media and long-tail media platforms; (iv) enhancing the productivity of Creative Lab, our ad design team, by providing more varieties of ad presentation and improving the automation of ad creative production; and (v) improving the overall self-service capabilities of our mobile advertising and mobile analytics platform	To be gradually carried out over the next three years

FUTURE PLANS AND USE OF PROCEEDS

Allocation of Proceeds	Specific Purpose	Expected Timeframe
approximately HK\$136.06 million (equivalent to approximately US\$17.38 million and representing 10% of the net proceeds) to continue to implement our “Glocal” strategy by enhancing our local service capabilities and expanding our global footprint	(i) establishing local teams in Middle East, Eastern Europe, South America and Africa depending on market developments; (ii) enhancing service capabilities of local offices in terms of infrastructure and employees; and (iii) upgrading our ERP system to further improve the management capabilities of our headquarters by providing effective support for our global operations in financial, tax, legal, marketing and human resources aspects	To be gradually carried out over the next three years
approximately HK\$272.12 million (equivalent to approximately US\$34.75 million and representing 20% of the net proceeds) to make additional strategic investments and acquisitions to expand our ecosystem	investing in or acquiring businesses that are complementary to our business, such as targets that (i) have strong advantages in advertiser base, traffic coverage and geographic coverage; (ii) have strong big data and AI technology capabilities that are complementary to us; or (iii) have strong capabilities to create in-scenario marketing and ads presentation. As of the Latest Practicable Date, we have not identified any investment or acquisition targets	To be gradually carried out over the next three years
approximately HK\$136.06 million (equivalent to approximately US\$17.38 million and representing 10% of the net proceeds) for general working capital	for general working capital	—

FUTURE PLANS AND USE OF PROCEEDS

The table below presents the specific steps that we will take to implement each of the aforementioned future plans and a breakdown of the net proceeds for each of the future plans.

General Purpose	Estimated Amount of Net Proceeds (HK\$ in million)	Year	Specific Steps	Infrastructure Investment (HK\$ in million)	Research and Development Staff Cost (HK\$ in million)	Office Rental (HK\$ in million)	Sales and Marketing Expense (HK\$ in million)	Working Capital Supplement (HK\$ in million)	Investments and Acquisitions (HK\$ in million)
Big data and AI technologies and IT infrastructure	408.18	2019	To continue to optimize server configuration and big data algorithm, integrate external database based on stable technology architecture, develop commercialized SaaS system, and hire about 40 employees at the application level and about 15 employees at the infrastructure level, including data product managers and development engineers	34.61	41.18	10.38	—	—	—
		2020	To continue system iteration, optimization, and testing for commercialization	44.21	49.18	12.18	4.50	4.50	—
		2021	To establish proprietary data center, which will become an in-house cloud computing center to function as the computing infrastructure for our system in addition to the third-party cloud computing service that we have been using, establish servers, architecture and network environment needed for projects, and hire about 50 employees at the infrastructure level, including algorithm engineer, architects and data engineers	119.83	64.64	13.98	4.50	4.50	—
		Sum		198.65	155.00	36.55	8.99	8.99	—

FUTURE PLANS AND USE OF PROCEEDS

General Purpose	Estimated Amount of Net Proceeds (HK\$ in million)	Year	Specific Steps	Infrastructure Investment (HK\$ in million)	Research and Development Staff Cost (HK\$ in million)	Office Rental (HK\$ in million)	Sales and Marketing Expense (HK\$ in million)	Working Capital Supplement (HK\$ in million)	Investments and Acquisitions (HK\$ in million)
Improvement of services on our mobile advertising and mobile analytics SaaS platform	408.18	2019	To improve existing services for user acquisition, monetization and data analytics, develop programmatic ad creatives, ad exchange platform and platform for connecting with multiple top media programmatically, and invest in required servers and system architecture, and hire about 60 employees for new project teams including product managers, development engineers and designers	53.07	35.06	9.62	8.99	—	—
		2020	To complete integration of separate services in the mobile advertising and mobile analytics SaaS platform such as combining independent campaign management system for top media into a one-stop management system, apply programmatic ad creatives to top media, medium-sized media and long tail media to	65.15	51.43	11.42	8.99	—	—
		2021	improve user acquisition and monetization efficiency, continue to expand the application of our mobile analytics services to other areas such as e-commerce and social apps, and hire about 30 employees additionally for required professionals	65.42	58.86	13.22	13.49	13.49	—
		Sum		183.63	145.35	34.25	31.47	13.49	—

FUTURE PLANS AND USE OF PROCEEDS

General Purpose	Estimated Amount of Net Proceeds (HK\$ in million)	Year	Specific Steps	Infrastructure Investment (HK\$ in million)	Research and Development Staff Cost (HK\$ in million)	Office Rental (HK\$ in million)	Sales and Marketing Expense (HK\$ in million)	Working Capital Supplement (HK\$ in million)	Investments and Acquisitions (HK\$ in million)
Implement our “Glocal” strategy by enhancing our local service capabilities and expanding our global footprint	136.06	2019	To enhance existing offices and setup new offices in locations that have good coverage for additional geographic regions, such as Israel in the Middle East, Ukraine in Eastern Europe and Brazil in South America, which we believe are important to provide better localized services and seize opportunities in the emerging markets, and hire business, campaign management and monetization service team with local service capability	11.04	6.72	11.96	7.23	—	—
		2020	To establish shared functional center for enterprise globalization including the required IT system, resource system and learning system and continue to strengthen local teams	13.90	8.58	16.45	9.54	—	—
		2021		10.05	11.52	17.80	11.27	—	—
		Sum		34.99	26.81	46.21	28.04	—	—
Strategic investments and acquisitions	272.12	2019	To evaluate and consummate transaction for targets that supplement our ecosystem with a combination of financing structures and continue post-acquisition integration and management	—	—	—	—	—	111.99
		2020		—	—	—	—	13.49	89.91
		2021		—	—	—	—	11.78	44.95
		Sum						25.26	246.85
General working Capital Supplement	136.06	2019	—	—	—	—	—	91.11	—
		2020	—	—	—	—	—	44.95	—
		2021	—	—	—	—	—	—	—
		Sum		—	—	—	—	136.06	—

We believe that our expansion plans commensurate with our historical and future business strategies and spending.

Investment in Big Data and AI technologies and IT Infrastructure

To strengthen our big data capabilities, AI technologies and IT infrastructure is in line with our strategy to strengthen our data and technology advantages. Historically, we have spent approximately US\$2.8 million, US\$8.0 million, US\$13.5 million and US\$7.4 million for the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018. We expect to increase our future investment in big data, AI technologies and IT infrastructure due to the expansion our business and the need to enhance technology infrastructure to meet our future demand. We expect that the aggregate amount of the relevant research and development staff cost is expect to be approximately US\$34 million in the next three years.

FUTURE PLANS AND USE OF PROCEEDS

In addition, we plan to establish our proprietary data center, which will become an in-house computing center to function as the computing infrastructure for our system in addition to the third-party cloud computing service that we have been using. Given the increasing demand of computing capacity of our operations, especially the growth of programmatic advertising, a proprietary data center is expected to increase our computing capacity to meet increasing operation demand, reduce reliance on third-party cloud computing service providers and related costs, increase system stability and control maintenance costs. We expect to utilize a combination of in-house computing and third-party cloud computing and establish a hybrid cloud architecture. During the Track Record Period, we solely relied on third-party cloud services due to relatively less demand for computing capacity and the amount of investment needed for proprietary data center. As our business grows and demand for computing capacity increases, we believe that a hybrid cloud architecture will be a more suitable solution for our future development and will result in better cost-effectiveness, controllability and flexibility in the long term. We will determine the locations of our data center servers based on the locations of traffic concentration and the price of regional network service, which may include Singapore, United States, Japan, South Korea, Germany and PRC.

Moreover, sales and marketing expenses in connection with big data and AI technologies enhancement may be incurred. Currently our big data and AI technologies only were applied to our own mobile advertising and mobile analytics services. In the future, where opportunities may arise, we expect our big data and AI capabilities to be offered in other industries as well, during which time marketing of such services may cause increase in related expenses. Moreover, the development of AI technologies and IT infrastructure requires experienced experts and equipment of advanced servers, which may incur additional office rental expenses.

Service Improvement

To improve services on our platform is in line with our strategy to expand the scale and scope of our business with app developers and explore opportunities for our mobile analytics SaaS platform. Historically, we have spent approximately US\$4.7 million, US\$16.7 million, US\$25.2 million and US\$13.2 million for the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, respectively. We expect to incur expenses of approximately US\$32 million annually to update and upgrade our products and services and maintain our market competitiveness in the next three years. Specifically, we expect our infrastructure and research and development investment to improve the efficiency and effectiveness of precise targeting and ad delivery, and optimize the use of available ad space and relevant traffic.

In addition, our track record of performance is supported by our employees, which we believe will continue to be of essence in achieving our future sustainable development. The total number of our full-time employees increased by 65.7% from 351 as of December 31, 2015 to 581 as of June 30, 2018. Our new hiring plan is in line with the expansion of our headcount in operating history and necessary for the fulfillment of our strategies to attract, retain and develop experienced employees.

Implementation of “Glocal” Strategy

Our use of proceeds to enhance our local service capabilities and expand our global footprint is in line with our strategy to implement our “Glocal” operating model. Historically, we have spent approximately US\$0.1million, US\$4.0 million, US\$5.8 million and US\$2.7 million for the years ended December 31, 2015, 2016, 2017 and for the six months ended June 30, 2018, respectively. We expect to enhance our local service capabilities and expand our global footprint to implement our “Global” strategy and expand our overseas market outreach. We expect to set up new offices in locations that have good coverage for additional geographic regions, such as Israel for the Middle East, Ukraine for Eastern Europe and Brazil for South America, which we believe are important to provide better localized services and seize opportunities in the emerging markets.

FUTURE PLANS AND USE OF PROCEEDS

Strategic Investments and Acquisitions

To conduct strategic investments and acquisitions is in line with our strategy to integrate industry resources through strategic investments and mergers and acquisitions. We primarily intent to acquire target companies but we may also conduct venture investment or strategic investment as appropriate. During the Track Record Period, we paid a total number of US\$25.0 million and US\$9.9 million for the consideration of our acquisition of nativeX, LLC and Game Analytics ApS, respectively. Through strategic investments and acquisitions, we believe we can explore new markets where we do not have competitive advantage and enhance our technology capabilities with help from established market players. We may also utilize other financing structure such as acquisition funds and loans to consummate the transactions to proceed with our strategy.

We expect to spend approximately US\$60.7 million net proceeds in the strategic investment and acquisition in the next three years aggregately. Such amount is based upon our estimation of the probable number and size of the target companies, which we believe are comparable to our historical acquisitions. When determining the target companies to be acquired or invested in, we take into account a series of factors, including (i) the competition landscape where the target company operates; (ii) the relatedness of the target company's business with our own; and (iii) the profitability of the target companies. Specifically, we are looking at target companies that (i) are head-quartered or based in Europe and/or United States with sizable customer base; (ii) with monthly revenue over US\$10.0 million; and (iii) have strong big data and AI technology capabilities that are complementary to ours. As of the Latest Practicable Date, we have not identified any specific targets.

Our infrastructure investment will focus on servers, network hardware, software, third-party technology services and employee compensation for the relevant research and development personnel. We expect to expand offices through rental and we do not plan to acquire new office space through purchasing.

The above allocation of use of net proceeds is projected based on our current business plan and the amount of net proceeds that we expect to receive from the Global Offering. If we are unable to raise the expected amount of net proceeds from the Global Offering, we expect to adjust the allocation of the net proceeds for the above purposes on a pro rata basis.

If the Offer Price is set at the high end or low end of the proposed offer price range, the net proceeds of the Global Offering (assuming that the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme) will increase to HK\$1,546.18 million (equivalent to approximately US\$197.45 million) or decrease to HK\$1,175.04 million (equivalent to approximately US\$150.06 million), respectively. In this event, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro-rata basis.

If the Over-allotment Option is fully exercised by the Joint Global Coordinators, we will receive net proceeds of approximately HK\$1,569.38 million for 366,697,000 Shares to be sold and transferred upon the full exercise of the Over-allotment Option, respectively, based on the Offer Price of HK\$4.50 per Share, being the mid-point of the indicative Offer Price range, and after deducting the underwriting fees and commissions payable by us. We intend to apply the additional net proceeds to the above uses in the proportions stated above.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit such net proceeds into interest-bearing bank accounts with licensed banks and/or financial institutions.

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HONG KONG UNDERWRITERS

UBS AG Hong Kong Branch
CMB International Capital Limited
AMTD Global Markets Limited
CCB International Capital Limited
Haitong International Securities Company Limited
China Industrial Securities International Capital Limited
SPDB International Capital Limited

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This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Purchasers. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 31,888,000 Hong Kong Offer Shares and the International Offering of initially 286,979,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed “Structure of the Global Offering” in this prospectus as well as to the Over-allotment Option in the case of the International Offering.

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on or around November 28, 2018. Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares (subject to reallocation) for subscription on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on the International Purchase Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

If any of the events set out below shall occur at any time prior to 8:00 a.m. on the Listing Date, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by notice in writing to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

- (a) there shall develop, occur, exist or come into effect:
 - (i) any local, national, regional or international event or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak of infectious

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disease, economic sanctions, strikes, lock-outs, fire, explosion, flooding, earthquake, volcanic eruption, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting Hong Kong, the PRC, the United States, the Cayman Islands, Seychelles, Singapore, Hong Kong, the British Virgin Islands, India, the United Kingdom, Netherlands, Denmark, the European Union (or any member thereof), Japan or any other jurisdiction relevant to any member of the Group (the “**Relevant Jurisdictions**”); or

- (ii) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in any Relevant Jurisdictions; or
- (iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, or the Tokyo Stock Exchange or the Shanghai / Shenzhen Stock Exchange or the National Equities Exchange and Quotations in China; or
- (iv) any general moratorium on commercial banking activities in any Relevant Jurisdictions, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdictions; or
- (v) any new law, or any change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent Authority (as defined in the Hong Kong Underwriting Agreement) of) existing laws, in each case, in or affecting any Relevant Jurisdictions; or
- (vi) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, the United States or the European Union (or any member thereof) on the PRC or any other jurisdiction relevant to any member of the Group; or
- (vii) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies), or the implementation of any more restrictive exchange control, in any of the Relevant Jurisdictions; or
- (viii) any litigation or claim of any third party being threatened or instigated against any member of the Group; or
- (ix) an executive Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (x) the chairman of the board of directors and chief executive officer of the Company vacating his or her office; or
- (xi) an Authority (as defined in the Hong Kong Underwriting Agreement) or a political body or organization in any relevant jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any executive Director; or
- (xii) a contravention by any member of the Group of the Listing Rules or applicable laws; or
- (xiii) a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Shares (including any additional Shares to be issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering; or

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- (xiv) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (xv) (i) save for the purposes of adjusting the Offer Price or (ii) other than with the prior written consent of the Joint Global Coordinators, the issue or requirement to issue by the Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or
- (xvi) an order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;

which, individually or in the aggregate, in the sole opinion of the Joint Global Coordinators (1) has or will have or is reasonably expected to have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or (2) has or will have or is reasonably expected to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or (3) makes or will make or is reasonably expected to make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering; or (4) has or will have or is reasonably expected to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (b) there has come to the notice of the Joint Global Coordinators:
 - (i) that any statement contained in any of this prospectus and the Application forms and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of this prospectus and the Application forms and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions in any material respect; or
 - (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from any of this prospectus and the Application forms and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or
 - (iii) any breach of any of the material obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Purchase Agreement (other than upon any of the Hong Kong Underwriters or the International Purchasers); or
 - (iv) any event, act or omission which gives or is likely to give rise to any liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to Clause 12 of the Hong Kong Underwriting Agreement; or

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- (v) any adverse change, or any development involving a prospective material adverse change, in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of any member of the Group; or
- (vi) any breach of, or any event or circumstance rendering untrue or incorrect in any respect, any of the Warranties (as defined in the Hong Kong Underwriting Agreement); or
- (vii) that approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued or sold (including any additional Shares to be issued pursuant to the Capitalization Issue, and any Shares that may be issued or sold pursuant to the exercise of the Over-Allotment Option and any options which may be granted under the Share Option Scheme) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, that the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (viii) a withdrawal by the Company of this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering.

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that we will not, at any time within six months from the Listing Date, issue any Shares or other securities convertible into equity securities of the Company (whether or not of a class already listed) or enter into any agreement or arrangement to issue any Shares or such other securities (whether or not such issue of the Shares or such other securities will be completed within six months from the Listing Date), except pursuant to the Global Offering (including the Over-allotment Option) or under any of the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and to the Company that, except pursuant to the Global Offering or for any lending of the Shares pursuant to the Stock Borrowing Agreement, it/he will not (and will procure that the relevant registered holder(s) will not):

- (i) in the period commencing on the date by reference to which disclosure of its/his shareholding in the Company is made in this prospectus and ending on the date which is six months from the date on which dealings in the Shares commence on the Stock Exchange, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it/he is shown by this prospectus to be the beneficial owner; and
- (ii) during the period of six months commencing on the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities referred to in the immediately preceding paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a Controlling Shareholder of us,

in each case, save as permitted under the Listing Rules.

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Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and to the Company that, within the period commencing on the date by reference to which disclosure of its/his shareholding in the Company is made in this prospectus and ending on the date which is 12 months from the date on which dealings in the Shares commence on the Stock Exchange, it/he will:

- (a) when it/he pledges or charges any Shares or other securities beneficially owned by it/him in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules for a bona fide commercial loan, immediately inform the Company of such pledge or charge together with the number of the Shares so pledged or charged; and
- (b) when it/he receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform the Company of such indications.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by the Company

Except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-Allotment Option), the issue of Shares pursuant to the Capitalization Issue and the RSU Schemes, and any Shares to be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the “**First Six-Month Period**”), the Company has undertaken to each of the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors not to, and to procure each other member of the Group not to, without the prior written consent of the Joint Sponsors and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or deposit any Shares or other securities of the Company, with a depositary in connection with the issue of depositary receipts; or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or
- (iii) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (iv) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

in each case, whether any of the transactions specified in Clause (a), (b) or (c) above is to be settled by delivery of Shares or other securities of the Company, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-month Period). In the event that, during the period of six months commencing on the date on which the First Six-month

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Period expires (the “**Second Six-Month Period**”), the Company enters into any of the transactions specified in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

The Company has agreed and undertaken that it will not effect any purchase of Shares, or agree to do so, which may reduce the holdings of Shares held by the public (as defined in Rule 8.24 of the Listing Rules) below 25% on or before the date falling six months after the Listing Date without first having obtained the prior written consent of the Joint Sponsors and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters).

(B) Undertakings by the Controlling Shareholders

The Controlling Shareholders have undertaken to each of the Company, the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors that, without the prior written consent of the Joint Sponsors and the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) it will not, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of the Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period);
- (b) it will not, during the Second Six-Month Period, enter into any of the transactions specified in (a)(i), (ii) or (iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance (as defined in the Hong Kong Underwriting Agreement) pursuant to such transaction, it will cease to be a “controlling shareholder” (as the term is defined in the Listing Rules) of the Company; and
- (c) until the expiry of the Second Six-Month period, in the event that it enters into any of the transactions specified in (a)(i), (ii) or (iii) above or offer to or agrees to or announce any intention to effect any such transaction, it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

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The Controlling Shareholders have further undertaken to the Company, the Joint Global Coordinators, the Joint Sponsors and the Hong Kong Underwriters that they will, at any time within the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date which is 12 months after the Listing Date:

- (a) upon any pledge or charge in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) of any Shares or securities or interests in the Shares or securities of the Company beneficially owned by them for a bona fide commercial loan, immediately inform the Company, the Joint Global Coordinators and the Joint Sponsors in writing of such pledge or charge together with the number of Shares or securities so pledged or charged; and
- (b) upon any indication received by them, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or securities or interests in the Shares or securities of the Company will be disposed of, immediately inform the Company and the Joint Global Coordinators and the Joint Sponsors in writing of such indications.

The Company has agreed and undertaken to the Joint Global Coordinators, the Joint Sponsors and each of the Hong Kong Underwriters, that, upon receiving such information in writing from the Controlling Shareholders, it shall, as soon as practicable, notify the Stock Exchange and make an announcement in accordance with the Listing Rules.

Hong Kong Underwriters' Interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement and/or the International Purchase Agreement and, if applicable, the Stock Borrowing Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested legally or beneficially, directly or indirectly, in any Shares or other securities of the Company or any other member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or other securities of the Company or any other member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and/or the International Purchase Agreement.

International Offering

International Purchase Agreement

In connection with the International Offering, we and the Controlling Shareholders expect to enter into the International Purchase Agreement with the International Purchasers. Under the International Purchase Agreement and subject to the Over-allotment Option, the International Purchasers would, subject to certain conditions set out therein, agree severally and not jointly to subscribe for or purchase, or to procure subscribers to subscribe for or purchasers to purchase, their respective proportions of the International Offering Shares being offered pursuant to the International Offering. See the section headed “Structure of the Global Offering — The International Offering” in this prospectus.

We are expected to grant to the International Purchasers the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Purchasers at any time from the date of the International Purchase Agreement until 30 days after the last date for the lodging of applications under the Hong Kong Public Offer, to require the Company to issue and allot up to an aggregate of 47,830,000 additional Offer Shares representing approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering to, among other things, cover over allocations (if any) in the International Offering. It is expected the International Purchase Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors shall be reminded that in the event that the International Purchase Agreement is not entered into, the Global Offering will not proceed.

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Commissions and Expenses

The Hong Kong Underwriters will receive an underwriting commission of 3% of the aggregate Offer Price payable for the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the International Purchasers and not the Hong Kong Underwriters. The commissions payable to the Underwriters will be borne by the Company with respect to the new Offer Shares to be issued by the Company under the Global Offering (including pursuant to the exercise of the Over-allotment Option). The Company may, at its sole direction, pay to the Joint Global Coordinators an incentive fee up to 1% of the Offer Price multiplied by the total number of Hong Kong Offer Shares.

The aggregate underwriting commissions and fees payable to the Underwriters, together with the Stock Exchange listing fees, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses in relation to the Global Offering are estimated to be approximately HK\$89.07 million (assuming an Offer Price of HK\$4.50 per Offer Share (which is the mid-point of the indicative Offer Price range), the Over-allotment Option is not exercised) and will be paid by us.

Indemnity

We and the Controlling Shareholders have agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

INDEPENDENCE OF THE JOINT SPONSORS

UBS Securities Hong Kong Limited and CMB International Capital Limited satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilising process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of

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the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilising period described in the section headed “Structure of the Global Offering” in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilising Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilising or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and the Company’s affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. UBS AG Hong Kong Branch and CMB International Capital Limited are the Joint Global Coordinators of the Global Offering.

The Global Offering (subject to reallocation and the Over-allotment Option) comprises:

- (i) the Hong Kong Public Offering of initially 31,888,000 Shares (subject to reallocation) in Hong Kong as described in the subsection headed “— The Hong Kong Public Offering” below; and
- (ii) the International Offering of initially 286,979,000 Shares (subject to reallocation and the Over-allotment Option) (a) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in accordance with Regulation S and (b) in the United States to QIBs in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with the restrictions of, Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, as described in the subsection headed “— The International Offering” below.

Investors may either:

- (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (ii) apply for or indicate an interest for International Offer Shares under the International Offering,

but may not do both.

The Offer Shares will represent approximately 21.0% of the issued share capital of the Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 23.41% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described in the subsection headed “— the Hong Kong Public Offering — Reallocation” below.

References in this prospectus to applications, Application Forms, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

We are initially offering 31,888,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 2.10% of the total issued share capital of the Company immediately following the completion of the Global Offering assuming that the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the subsection headed “— Conditions of the Global Offering” below.

STRUCTURE OF THE GLOBAL OFFERING

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are undersubscribed, such undersubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 15,944,000 Hong Kong Offer Shares are liable to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation under the Listing Rules. In accordance with the Clawback requirements set forth in Paragraph 4.2 of Practice Note 18 of the Listing Rules and the Guidance Letter HKEx-GL91-18 issued by the Stock Exchange, if the Offer Shares under the International Offering are fully subscribed or oversubscribed and the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times and (iii) 100 times or more of the total number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 95,660,000 Offer Shares (in the case of (i)), 127,546,000 Offer Shares (in the case of (ii)) and 159,433,000 Offer Shares (in the case of (iii)), representing approximately 30%, 40% and 50% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option). In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B in equal proportion and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Global Coordinators deem appropriate. In addition, the Joint Global Coordinators may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering, regardless of whether any reallocation pursuant to paragraph 4.2 of Practice Note 18 of the Listing Rules is triggered.

If (i) the Offer Shares under the International Offering are fully subscribed or oversubscribed, and if the number of Offer Shares validly applied for in the Hong Kong Public Offering represents more than 100%, but less than 15 times, of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering; or (ii) the Offer Shares under the International Offering are not fully subscribed, and if the

STRUCTURE OF THE GLOBAL OFFERING

number of Offer Shares validly applied for in the Hong Kong Public Offering represents more than 100% of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, the Joint Global Coordinators may, at their discretion, reallocate the Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering, provided that the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering shall not be increased to more than 63,776,000 Offer Shares, representing two times the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering and approximately 20% of the total number of Offer Shares initially available under the Global Offering in accordance with Guidance Letter HKEx-GL91-18 issued by the Stock Exchange, and the final price shall be fixed at the low end of the Offer Price range (that is, HK\$3.90 per Offer Share) stated in this Prospectus in accordance with Guidance Letter HKEX-GL91-18 issued by the Stock Exchange.

Any such clawback and reallocation between the International Offering and the Hong Kong Public Offering will be completed prior to any adjustment of the number of Offer Shares pursuant to the exercise of the Over-allotment Option, if any.

If the Hong Kong Public Offering is not fully subscribed for, the Joint Global Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Joint Global Coordinators deem appropriate.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is breached and/or untrue (as the case may be) or if it has been or will be placed or allocated International Offer Shares under the International Offering.

The listing of the Offer Shares on the Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum offer price of HK\$5.10 per Offer Share in addition to the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the subsection headed “— Pricing and Allocation” below, is less than the maximum offer price of HK\$5.10 per Offer Share, appropriate refund payments (including the brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. See the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

Subject to reallocation as described above and the Over-allotment Option, the International Offering will consist of an offering of initially 286,979,000 Offer Shares, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering.

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States as well as institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers)

STRUCTURE OF THE GLOBAL OFFERING

whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in the subsection headed “— Pricing and Allocation” below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Company and the Shareholders as a whole.

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allotment of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement described in the subsection headed “— The Hong Kong Public Offering — Reallocation” above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, we are expected to grant the Over-allotment Option to the International Purchasers, exercisable by the Joint Global Coordinators on behalf of the International Purchasers.

Pursuant to the Over-allotment Option, the International Purchasers will have the right, exercisable by the Joint Global Coordinators at any time during the 30 day period from the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 47,830,000 additional Offer Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised, an announcement will be made.

STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the new securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilising Manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilising Manager or any person acting for it to conduct any such stabilising action. Such stabilising action, if taken, (i) will be conducted at the absolute

STRUCTURE OF THE GLOBAL OFFERING

discretion of the Stabilising Manager or any person acting for it and in what the Stabilising Manager reasonably regards as the best interest of us, (ii) may be discontinued at any time and (iii) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilisation action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimising any reduction in the market price of the Shares, (ii) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of the Shares, (iii) purchasing, or agreeing to purchase, the Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimising any reduction in the market price of the Shares, (v) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilising Manager or any person acting for it may, in connection with the stabilising action, maintain a long position in the Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilising Manager or any person acting for it will maintain such a long position;
- liquidation of any such long position by the Stabilising Manager or any person acting for it and selling in the open market, may have an adverse impact on the market price of the Shares;
- no stabilising action can be taken to support the price of the Shares for longer than the stabilisation period, which will begin on the Listing Date, and is expected to expire on Friday, January 4, 2019, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilising action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;
- the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilising action; and
- stabilising bids or transactions effected in the course of the stabilising action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

We will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilisation period.

Over-allocation

Following any over-allocation of the Shares in connection with the Global Offering, the Stabilising Manager (or any person acting for it) may cover such over-allocations by, amongst others, exercising the Over-allotment Option in full or in part, by using Shares purchased by the Stabilising Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or through the stock borrowing arrangement as detailed below or a combination of these means.

STOCK BORROWING ARRANGEMENT

In order to facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilising Manager or any person acting for it may choose to borrow up to 47,830,000 Shares (being the maximum number of the Shares which may be issued pursuant to the exercise of the Over-allotment Option) pursuant to the Stock Borrowing Agreement, which is expected to be entered into between the Stabilising Manager or any person acting for it and Seamless on or around Wednesday, December 5, 2018, or acquire Shares from other sources, including exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price.

STRUCTURE OF THE GLOBAL OFFERING

If such stock borrowing arrangement with Seamless is entered into, it will only be effected by the Stabilising Manager or any person acting for it for the settlement of over-allocations in the International Offering and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules, being that the Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering, are complied with.

The same number of the Shares so borrowed must be returned to Seamless, as the case may be, on or before the third Business day following the earlier of (i) the last day for exercising the Over-allotment Option and (ii) the day on which the Over-allotment Option is exercised in full.

The stock borrowing arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Seamless by the Stabilising Manager or any person acting for it in relation to such stock borrowing arrangement.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Wednesday, December 5, 2018 and, in any event, not later than Tuesday, December 11, 2018 or such other date as agreed between parties, by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and us, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK\$5.10 per Offer Share and is expected to be not less than HK\$3.90 per Offer Share unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, the maximum offer price of HK\$5.10 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the Offer Price range stated in this prospectus.**

The International Purchasers will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Joint Global Coordinators, on behalf of the Underwriters, may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of us, reduce the number of Offer Shares offered and/or the Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging of applications under the Hong Kong Public Offering.

In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging of applications under the Hong Kong Public Offering, cause to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Company and the Stock Exchange at www.mobvista.com and www.hkexnews.hk, respectively, notices of the reduction. We will, as soon as practicable following the decision to make such reduction, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range, extend the period under which the Hong Kong Public Offering was opened for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their submitted subscriptions, and give potential investors who had applied for the Hong Kong Offer Shares the right to withdraw their applications under the Hong Kong Public Offering. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price,

STRUCTURE OF THE GLOBAL OFFERING

if agreed upon by the Joint Global Coordinators (on behalf of the Underwriters) and us, will be fixed within such revised Offer Price range. Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice and supplemental prospectus will also include confirmation or revision, as appropriate, of the working capital statement, the Global Offering statistics and the future plans and use of proceeds as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice and supplemental prospectus so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Global Coordinators (on behalf of the Underwriters) and us, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If you have already submitted an application for the Hong Kong Offer Shares before the last day for lodging applications under the Hong Kong Public Offering, you will not be allowed to subsequently withdraw your application. However, if the number of Offer Shares and/or the Offer Price range is reduced, applicants will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocation of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed “How to Apply for Hong Kong Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies” in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is conditional upon the International Purchase Agreement being signed and becoming unconditional and is subject to the Company and the Joint Global Coordinators (on behalf of the Underwriters) agreeing on the Offer Price.

We expect to enter into the International Purchase Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarised in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange (including the additional Shares which may be issued pursuant to the Over-allotment Option, the RSU Schemes and the Share Option Scheme), and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (ii) the Offer Price having been agreed between the Company and the Joint Global Coordinators (on behalf of the Underwriters) on or around the Price Determination Date;
- (iii) the execution and delivery of the International Purchase Agreement on or around the Price Determination Date; and

STRUCTURE OF THE GLOBAL OFFERING

- (iv) the obligations of the Underwriters under each of the Hong Kong Underwriting Agreement and the International Purchase Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the respective Underwriting Agreements

(unless and to the extent such conditions are validly waived on or before such dates and times).

If, for any reason, the Offer Price is not agreed between the Company and the Joint Global Coordinators (on behalf of the Underwriters) on or before Tuesday, December 11, 2018 or such other date as agreed between parties, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst others, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Stock Exchange at **www.hkexnews.hk** and the Company at **www.mobvista.com** on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies” in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Wednesday, December 12, 2018 provided that the Global Offering has become unconditional in all respects and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised.

DEALING

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, December 12, 2018, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, December 12, 2018.

The Shares will be traded in board lots of 1,000 Shares each and the stock code of the Shares will be 1860.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest in International Offer Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the White Form eIPO service at **www.eipo.com.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at its discretion and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of the **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you:

- are an existing beneficial owner of the Shares in the Company and/or any its subsidiaries;
- are a Director or general manager of the Company and/or any of its subsidiaries;
- are an associate (as defined in the Listing Rules) of any of the above;
- are a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon completion of the Global Offering; and
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through **www.eipo.com.hk**.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, November 30, 2018 until 12:00 noon on Wednesday, December 5, 2018 from:

- (i) any of the following offices of the Hong Kong Underwriters:

UBS Securities Hong Kong Limited

52/F, 2 International Finance Centre, 8 Finance Street, Central, Hong Kong

CMB International Capital Limited

45/F, Champion Tower, 3 Garden Road, Central, Hong Kong

AMTD Global Markets Limited

23/F-25F, Nexxus Building, 41 Connaught Road Central, Hong Kong

CCB International Capital Limited

12/F, CCB Tower, 3 Connaught Road Central, Hong Kong

Haitong International Securities Company Limited

22/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong

China Industrial Securities International Capital Limited

7/F, Three Exchange Square, 8 Connaught Place, Central, Hong Kong

SPDB International Capital Limited

Suites 3207-3212, 32/F, One Pacific Place, 88 Queensway, Admiralty, Hong Kong

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (ii) any of the following branches of the receiving bank:

Standard Chartered Bank (Hong Kong) Limited

	Branch Name	Address
Hong Kong Island	188 Des Voeux Road Branch	Shop No. 7 on G/F, whole of 1/F - 3/F Golden Centre, 188 Des Voeux Road Central
	Hennessy Road Branch	399 Hennessy Road, Wanchai
Kowloon	68 Nathan Road Branch	Basement, Shop B1, G/F Golden Crown Court, 66-70 Nathan Road, Tsimshatsui
New Territories	Maritime Square Branch	Shop 308E, Level 3, Maritime Square, Tsing Yi
	Tseung Kwan O Branch	Shop No. E037-E040, G/F, East Wing of TKO Gateway, Hau Tak Estate, Tseung Kwan O

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, November 30, 2018 until 12:00 noon on Wednesday, December 5, 2018 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Horsford Nominees Limited—Mobvista Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- Friday, November 30, 2018 — 9:00 a.m. to 5:00 p.m.
- Saturday, December 1, 2018 — 9:00 a.m. to 1:00 p.m.
- Monday, December 3, 2018 — 9:00 a.m. to 5:00 p.m.
- Tuesday, December 4, 2018 — 9:00 a.m. to 5:00 p.m.
- Wednesday, December 5, 2018 — 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Wednesday, December 5, 2018, the last day for applications or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists" in this prospectus.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **White Form eIPO** service, amongst other things, you:

- (i) undertake to execute all relevant documents and instruct and authorise the Company and/or the Joint Global Coordinators (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of the Company, the Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;
- (viii) agree to disclose to the Company, the Hong Kong Share Registrar, the receiving bank, the Joint Global Coordinators, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of the Company, the Joint Global Coordinators and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise the Company to place your name(s) or the name of the HKSCC Nominees on the Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and the Company and/or its agents to send any Share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the Share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that the Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allocation of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

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- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **White Form eIPO** service by you or by anyone as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Terms and Conditions for **YELLOW** Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH THE WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in the section headed “How to Apply for Hong Kong Offer Shares — 2. Who can apply” in this prospectus may apply through the **White Form eIPO** service for the Offer Shares to be allocated and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorise the **White Form eIPO** service provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

Time for Submitting Applications under the White Form eIPO service

You may submit your application through the **White Form eIPO** service at **www.eipo.com.hk** (24 hours daily, except on the last day for applications) from 9:00 a.m. on Friday, November 30, 2018 until 11:30 a.m. on Wednesday, December 5, 2018 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, December 5, 2018 or such later time under the section headed “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in this prospectus.

No Multiple Applications

If you apply by means of the **White Form eIPO** service, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

Only one application may be made for the benefit of any person. If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Environmental Protection

The obvious advantage of the **White Form eIPO** service is to save the use of paper via the self-service and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **White Form eIPO** Service Provider, will contribute HK\$2.00 for each “Mobvista Inc.” **White Form eIPO** application submitted via www.eipo.com.hk to support the funding of “Dongjiang River Source Tree Planting” project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling +852 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Joint Global Coordinators and the Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - **agree** that the Hong Kong Offer Shares to be allocated shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant’s stock account on your behalf or your CCASS Investor Participant’s stock account;
 - **agree** to accept the Hong Kong Offer Shares applied for or any lesser number allocated;

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- **undertake and confirm** that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;
- (if the **electronic application instructions** are given for your benefit) **declare** that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) **declare** that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
- **confirm** that you understand that the Company, the Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allocation of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;
- **authorise** the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send Share certificate(s) and/or refund monies under the arrangements separately agreed between the Company and HKSCC;
- **confirm** that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- **confirm** that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- **agree** that none of the Company, the Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- **agree** to disclose your personal data to the Company, the Hong Kong Share Registrar, the receiving bank, the Joint Global Coordinators, the Underwriters and/or their respective advisers and agents;
- **agree** (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- **agree** that any application made by HKSCC Nominees on your behalf is irrevocable before Saturday, December 29, 2018 (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with the Company and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- **agree** that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Hong Kong Public Offering results;
- **agree** to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Offer Shares;

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- **agree** with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association; and
- **agree** that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- **instructed** and **authorised** HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;
- **instructed** and **authorised** HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and
- **instructed** and **authorised** HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 1,000 Hong Kong Offer Shares. Instructions for more than 1,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions⁽¹⁾

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Friday, November 30, 2018 — 9:00 a.m. to 8:30 p.m.
- Saturday, December 1, 2018 — 8:00 a.m. to 1:00 p.m.
- Monday, December 3, 2018 — 8:00 a.m. to 8:30 p.m.
- Tuesday, December 4, 2018 — 8:00 a.m. to 8:30 p.m.
- Wednesday, December 5, 2018 — 8:00 a.m. to 12:00 noon

Note:

- (1) The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, November 30, 2018 until 12:00 noon on Wednesday, December 5, 2018 (24 hours daily, except on Wednesday, December 5, 2018, the last day for applications).

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The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, December 5, 2018, the last day for applications or such later time as described in the section headed “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in this prospectus.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by the Company, the Hong Kong Share Registrar, the receiving bank, the Joint Global Coordinators, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day for applications in making your electronic applications. The Company, the Directors, the Joint Bookrunners, the Joint Sponsors, the Joint Global Coordinators and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allocated any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in connecting to the CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, December 5, 2018.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **White Form eIPO** service is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**).

If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO** service in respect of a minimum of 1,000 Shares Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 1,000 Shares Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.eipo.com.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed “Structure of the Global Offering — Pricing and Allocation” in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, December 5, 2018. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

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If the application lists do not open and close on Wednesday, December 5, 2018 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in “Expected Timetable”, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Tuesday, December 11, 2018 in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) on the Company’s website at **www.mobvista.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company’s website at **www.mobvista.com** and the Stock Exchange’s website at **www.hkexnews.hk** by no later than 9:00 a.m. on Tuesday, December 11, 2018;
- from the designated results of allocations website at **www.iporeresults.com.hk** (alternatively: English **<https://www.eipo.com.hk/en/Allotment>**; Chinese **<https://www.eipo.com.hk/zh-hk/Allotment>**) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Tuesday, December 11, 2018 to 12:00 midnight on Monday, December 17, 2018;
- by telephone enquiry line by calling +852 2862 8669 between 9:00 a.m. and 10:00 p.m. from Tuesday, December 11, 2018 to Friday, December 14, 2018; and
- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, December 11, 2018 to Thursday, December 13, 2018 at the designated receiving bank branches as set above.

If the Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed “Structure of the Global Offering” in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allocated to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or through the **White Form eIPO** service, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked before Saturday, December 29, 2018 (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked before the fifth day after the time of the opening of the application lists (excluding for this purpose any day

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which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

The Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Joint Global Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK\$5.10 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with the section headed "Structure of the Global Offering —

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Conditions of the Global Offering” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on or before Tuesday, December 11, 2018.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allocated to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- Share certificate(s) for all the Hong Kong Offer Shares allocated to you (for **YELLOW** Application Forms, Share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number provided by you or the first-named applicant (if you are joint applicants) may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encasement of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of Share certificates and refund monies as mentioned below, any refund cheques and Share certificates are expected to be posted on or before Tuesday, December 11, 2018. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Wednesday, December 12, 2018 provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) *If you apply using a WHITE Application Form*

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or Share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, December 11, 2018 or such other date as notified by the Company in the newspapers.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or Share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or Share certificate(s) will be sent to the address on the relevant Application Form on or before Tuesday, December 11, 2018, by ordinary post and at your own risk.

(ii) *If you apply using a YELLOW Application Form*

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Tuesday, December 11, 2018, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Tuesday, December 11, 2018, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

For Hong Kong Offering Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allocated to you with that CCASS participant.

- *If you are applying as a CCASS investor participant*

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in the subsection headed "— 11. Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, December 11, 2018 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) *If you apply through the White Form eIPO Service*

If you apply for 1,000,000 or more Hong Kong Offer Shares and your application is wholly or partially successful, you may collect your Share certificate(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, December 11, 2018, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, December 11, 2018 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via **Electronic Application Instructions to HKSCC**

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, December 11, 2018 or on any other date determined by HKSCC or HKSCC Nominees.
- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allocation of the Hong Kong Public Offering in the manner specified in the subsection headed "— 11. Publication of Results" above on Tuesday, December 11, 2018. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, December 11, 2018 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allocated to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allocated to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Tuesday, December 11, 2018. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, December 11, 2018.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

The following is the text of a report set out on page I-1 to I-71, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF MOBVISTA INC. AND UBS SECURITIES HONG KONG LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Mobvista Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-71, which comprises the combined statements of financial position of the Group as at 31 December 2015, 2016 and 2017 and 30 June 2018, the statement of financial position of the Company as at 30 June 2018, and the combined statements of profit or loss, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows, for each of the years ended 31 December 2015, 2016 and 2017 and six months ended 30 June 2018 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-71 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 30 November 2018 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2015, 2016 and 2017 and 30 June 2018 and the Company's financial position as at 30 June 2018, and of the Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the combined statements of profit or loss, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for the six months ended 30 June 2017 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 23(e) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its incorporation.

KPMG

Certified Public Accountants

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

30 November 2018

Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The combined financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG Huazhen LLP Guangzhou Branch in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

Combined statements of profit or loss

(Expressed in United States dollar)

	Note	Year ended 31 December			Six months ended 30 June	
		2015	2016	2017	2017	2018
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
					(unaudited)	
Revenue	4	167,207	283,923	312,956	172,333	184,451
Cost of sales		(144,361)	(214,848)	(230,097)	(124,321)	(145,171)
Gross profit		22,846	69,075	82,859	48,012	39,280
Selling and marketing expenses		(1,379)	(4,489)	(6,443)	(3,212)	(3,035)
Research and development expenses . .		(2,339)	(7,359)	(18,934)	(6,861)	(12,229)
General and administrative expenses . .		(8,850)	(34,885)	(28,682)	(15,812)	(14,171)
Other net income	5	13	584	1,804	752	1,674
Profit from operations		10,291	22,926	30,604	22,879	11,519
Finance costs	6(a)	(100)	(759)	(189)	(54)	(231)
Profit before taxation	6	10,191	22,167	30,415	22,825	11,288
Income tax	7	(1,480)	(2,386)	(3,095)	(2,622)	(1,157)
Profit for the year/period		<u>8,711</u>	<u>19,781</u>	<u>27,320</u>	<u>20,203</u>	<u>10,131</u>
Attributable to:						
Equity shareholders of the Company . .		8,711	19,730	27,167	20,089	10,131
Non-controlling interests		—	51	153	114	—
Profit for the year/period		<u>8,711</u>	<u>19,781</u>	<u>27,320</u>	<u>20,203</u>	<u>10,131</u>
Earnings per share	10					
Basic and diluted		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The accompanying notes form part of the Historical Financial Information.

Combined statements of profit or loss and other comprehensive income*(Expressed in United States dollar)*

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
Profit for the year/period	8,711	19,781	27,320	20,203	10,131
Other comprehensive income for the year/period					
Item that may be reclassified subsequently to profit or loss:					
- Foreign currency translation differences					
- foreign operations, net of tax	131	497	678	(64)	448
Total comprehensive income for the year/period	<u>8,842</u>	<u>20,278</u>	<u>27,998</u>	<u>20,139</u>	<u>10,579</u>
Attributable to:					
Equity shareholders of the Company	8,842	20,250	27,856	20,058	10,579
Non-controlling interests	<u>—</u>	<u>28</u>	<u>142</u>	<u>81</u>	<u>—</u>
Total comprehensive income for the year/period	<u>8,842</u>	<u>20,278</u>	<u>27,998</u>	<u>20,139</u>	<u>10,579</u>

The accompanying notes form part of the Historical Financial Information.

Combined statements of financial position*(Expressed in United States dollar)*

	Note	As at 31 December			As at 30 June 2018
		2015	2016	2017	
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Property, plant and equipment	11	942	1,409	1,883	1,042
Intangible assets	12	753	1,990	3,878	4,599
Goodwill	13	—	28,998	28,998	28,998
Deferred tax assets	19(b)	1,622	4,714	8,088	7,038
Other financial assets	14	—	608	—	1,000
Deposits and prepayments	15	—	25	65,992	—
		<u>3,317</u>	<u>37,744</u>	<u>108,839</u>	<u>42,677</u>
Current assets					
Trade and other receivables	15	57,764	102,346	118,132	172,948
Restricted cash	16(a)	104	121	47,618	345
Cash and cash equivalents	16(b)	8,864	71,884	44,797	34,742
Current tax recoverable	19(a)	—	5	266	757
		<u>66,732</u>	<u>174,356</u>	<u>210,813</u>	<u>208,792</u>
Current liabilities					
Trade and other payables	17	45,312	167,150	180,958	170,221
Current tax payable	19(a)	3,007	7,893	7,263	1,659
Bank loans	18	5,368	5,710	7,587	17,939
		<u>53,687</u>	<u>180,753</u>	<u>195,808</u>	<u>189,819</u>
Net current assets/(liabilities)		<u>13,045</u>	<u>(6,397)</u>	<u>15,005</u>	<u>18,973</u>
Total assets less current liabilities		<u>16,362</u>	<u>31,347</u>	<u>123,844</u>	<u>61,650</u>
Non-current liabilities					
Bank loans	18	4,580	—	32,856	—
Deferred tax liabilities	19(b)	—	413	621	790
		<u>4,580</u>	<u>413</u>	<u>33,477</u>	<u>790</u>
NET ASSETS		<u>11,782</u>	<u>30,934</u>	<u>90,367</u>	<u>60,860</u>
CAPITAL AND RESERVES					
Share capital	22	17	54	28,401	60,217
Reserves	23	11,765	30,756	61,966	643
Total equity attributable to equity shareholders of the Company		11,782	30,810	90,367	60,860
Non-controlling interests		—	124	—	—
TOTAL EQUITY		<u>11,782</u>	<u>30,934</u>	<u>90,367</u>	<u>60,860</u>

The accompanying notes form part of the Historical Financial Information.

Statements of financial position of the Company*(Expressed in United States dollar)*

	Note	As at 30 June 2018 US\$'000
Current asset		
Cash and cash equivalents		*
		*
		-----*
Net current asset		*
		-----*
NET ASSETS		*
		=====
CAPITAL		
Share capital	22(a)	*
TOTAL EQUITY		*
		=====

* The balance represents an amount of US\$0.01.

Combined statements of changes in equity
(Expressed in United States dollar)

Note	Share capital	Capital reserve	Statutory reserve	Exchange reserve	Share-based payments reserve	(Accumulated losses)/ retained profits			Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at 1 January 2015	—*	—	—	—	195	(195)	—	—	—	—
Changes in equity for the year ended 31 December 2015:										
Profit for the year	—	—	—	—	—	8,711	8,711	—	—	8,711
Other comprehensive income	—	—	—	131	—	—	131	—	—	131
Total comprehensive income	—	—	—	131	—	8,711	8,842	—	—	8,842
Share-based compensation 23(d)	—	—	—	—	2,916	—	2,916	—	—	2,916
Capital injection 22	17	7	—	—	—	—	24	—	—	24
As at 31 December 2015	17	7	—	131	3,111	8,516	11,782	—	—	11,782

* The balance represents an amount less than US\$1,000.

	Note	Share capital	Capital reserve	Statutory reserve	Exchange reserve	Share-based payments reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at 1 January 2016	17	—	7	—	131	3,111	8,516	11,782	—	11,782
Changes in equity for the year ended 31 December 2016:										
Profit for the year	—	—	—	—	—	—	19,730	19,730	51	19,781
Other comprehensive income	—	—	—	—	520	—	—	520	(23)	497
Total comprehensive income	—	—	—	—	520	—	19,730	20,250	28	20,278
Share-based compensation	23(d)	—	—	—	—	4,459	—	4,459	—	4,459
Appropriation to statutory reserves ...	23(b)	—	—	1,278	—	—	(1,278)	—	—	—
Capital injection	22	37	—	—	—	—	—	37	—	37
Dividends declared	23(e)	—	—	—	—	—	(5,718)	(5,718)	—	(5,718)
Arising from business combination ...	24(b)	—	—	—	—	—	—	—	96	96
As at 31 December 2016	54	—	7	1,278	651	7,570	21,250	30,810	124	30,934

	Note	Share capital	Capital reserve	Statutory reserve	Exchange reserve	Share-based payments reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at 1 January 2017	54	7	1,278	651	7,570	21,250	30,810	124	30,934	
Changes in equity for the year ended 31 December 2017:										
Profit for the year	—	—	—	—	—	27,167	27,167	153	27,320	
Other comprehensive income	—	—	—	689	—	—	689	(11)	678	
Total comprehensive income	—	—	—	689	—	27,167	27,856	142	27,998	
Share-based compensation	23(d)	—	—	—	—	3,230	3,230	—	3,230	
Appropriation to statutory reserves . . .	23(b)	—	—	1,378	—	—	(1,378)	—	—	
Capital injection	22	28,347	764	—	—	—	29,111	—	29,111	
Dividends declared	23(e)	—	—	—	—	—	(150)	—	(150)	
Acquisition of a non-controlling interest of a subsidiary	—	—	—	—	—	—	(490)	(266)	(756)	
As at 31 December 2017	28,401	771	2,656	1,340	10,800	46,399	90,367	—	90,367	

	Note	Share capital	Capital reserve	Statutory reserve	Exchange reserve	Share-based payments reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		Note 22	Note 23(a)	Note 23(b)	Note 23(c)	Note 23(d)				
As at 31 December 2017		28,401	771	2,656	1,340	10,800	46,399	90,367	—	90,367
Impact on initial application of IFRS 9	1.5	—	—	—	—	—	(329)	(329)	—	(329)
As at 1 January 2018		28,401	771	2,656	1,340	10,800	46,070	90,038	—	90,038
Changes in equity for the period ended 30 June 2018:										
Profit for the period		—	—	—	—	—	10,131	10,131	—	10,131
Other comprehensive income		—	—	—	448	—	—	448	—	448
Total comprehensive income		—	—	—	448	—	10,131	10,579	—	10,579
Share-based compensation	23(d)	—	—	—	—	391	—	391	—	391
Appropriation to statutory reserves ..	23(b)	—	—	59	—	—	(59)	—	—	—
Deemed distribution	1.2	(28,362)	(764)	(1,538)	(720)	—	(8,764)	(40,148)	—	(40,148)
Arising from Reorganisation	23(a)	60,178	(60,178)	—	—	—	—	—	—	—
As at 30 June 2018		60,217	(60,171)	1,177	1,068	11,191	47,378	60,860	—	60,860

	Note	Share capital	Capital reserve	Statutory reserve	Exchange reserve	Share-based payments reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
(Unaudited)										
As at 1 January 2017		54	7	1,278	651	7,570	21,250	30,810	124	30,934
Changes in equity for the period ended 30 June 2017:										
Profit for the period		—	—	—	—	—	20,089	20,089	114	20,203
Other comprehensive income		—	—	—	(31)	—	—	(31)	(33)	(64)
Total comprehensive income		—	—	—	(31)	—	20,089	20,058	81	20,139
Share-based compensation	23(d)	—	—	—	—	2,347	—	2,347	—	2,347
Appropriation to statutory reserves ...	23(b)	—	—	699	—	—	(699)	—	—	—
Capital injection	22	2,307	240	—	—	—	—	2,547	—	2,547
Dividends declared	23(e)	—	—	—	—	—	(150)	(150)	—	(150)
As at 30 June 2017		2,361	247	1,977	620	9,917	40,490	55,612	205	55,817

The accompanying notes form part of the Historical Financial Information.

Combined statements of cash flows*(Expressed in United States dollar)*

	Note	Year ended 31 December			Six months ended 30 June	
		2015	2016	2017	2017	2018
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
					(unaudited)	
Operating activities						
Cash (used in)/generated from operations	16(c)	(12,563)	31,854	56,072	41,483	3,817
Income tax paid		(131)	(429)	(6,874)	(5,183)	(5,372)
Net cash (used in)/generated from operating activities		(12,694)	31,425	49,198	36,300	(1,555)
Investing activities						
Investment in other financial assets . . .		—	(608)	—	—	(1,935)
Proceeds from disposal of available-for-sale investments		—	—	1,500	1,500	—
Payment for purchase of property, plant and equipment		(1,058)	(664)	(1,076)	(142)	(452)
Payment for purchase of intangible assets		(1,641)	(1,049)	(2,706)	(1,078)	(1,564)
Prepayment for properties		—	—	(65,966)	(3,395)	(662)
Acquisition of subsidiaries		—	(29,782)	(3,074)	(2,804)	(167)
Acquisition of a non-controlling interest of a subsidiary		—	—	(755)	—	—
Change in restricted and pledged deposits		—	—	—	(4,308)	—
Interest received		1	292	559	145	920
Net cash used in investing activities . .		(2,698)	(31,811)	(71,518)	(10,082)	(3,860)

	Note	Year ended 31 December			Six months ended 30 June	
		2015	2016	2017	2017	2018
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
					(unaudited)	
Financing activities						
Proceeds from bank loans	16(d)	22,204	72,729	54,618	5,534	36,649
Repayment of bank loans	16(d)	(12,256)	(76,967)	(19,884)	(5,947)	(27,442)
Capital injection		24	37	29,111	2,547	—
Deemed distribution	16(b)	—	—	—	—	(2,024)
Interest paid	16(d)	(79)	(741)	(131)	(54)	(907)
Advance from/(repayment to) related parties	16(d)	14,222	67,893	(15,047)	(1,886)	(45,594)
Listing expenses paid		—	—	—	—	(104)
Change in restricted cash		(104)	(17)	(47,497)	—	34,801
Dividend paid		—	—	(5,868)	(150)	—
Net cash generated from/(used in) financing activities		<u>24,011</u>	<u>62,934</u>	<u>(4,698)</u>	<u>44</u>	<u>(4,621)</u>
Net increase/(decrease) in cash and cash equivalents		8,619	62,548	(27,018)	26,262	(10,036)
Cash and cash equivalents at the beginning of the year/period		—	8,864	71,884	71,884	44,797
Effect of foreign exchange rate changes		<u>245</u>	<u>472</u>	<u>(69)</u>	<u>(156)</u>	<u>(19)</u>
Cash and cash equivalents at the end of the year/period	16(b)	<u>8,864</u>	<u>71,884</u>	<u>44,797</u>	<u>97,990</u>	<u>34,742</u>

The accompanying notes form part of the Historical Financial Information.

Notes to the Historical Financial Information**1 Basis of preparation and presentation of Historical Financial Information****1.1 General information**

Mobvista Inc. (the “Company”) was incorporated in the Cayman Islands on 16 April 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 Company is an investment holding company and has not carried on any business since the date of its incorporation save for the group reorganisation below. The Company and its subsidiaries (together, “the Group”) are principally engaged in the provision of mobile advertising services.

1.2 Reorganisation and basis of presentation

The Company was incorporated in the Cayman Islands on 16 April 2018 as part of the reorganisation (the “Reorganisation”) of Seamless Technology Limited (“Seamless”). Prior to the completion of the Reorganisation as described below, the mobile advertising businesses were carried out by Seamless and its subsidiaries (together referred to as “Seamless Group”). Seamless Group was initially established in November 2014 and continued to grow substantially, and in early 2018, Seamless Group further absorbed some PRC mobile advertising businesses (“Other PRC Operating Entities”) from its controlling shareholder, Mobvista Co., Ltd.* (廣州匯量網絡科技股份有限公司, “Guangzhou Mobvista”). The absorption of the businesses of the Other PRC Operating Entities by Seamless was completed on 31 May 2018 and has been accounted for as a common control transaction in accordance with the accounting policy set out in Note 2(c) (iii).

In connection with the Reorganisation, on 13 April 2018, Seamless established Worldwide Target Limited (“Worldwide BVI”) as its wholly-owned subsidiary in the BVI, and then transferred to Worldwide BVI the entire share capital of each of Mintegral Limited, Flash Banner Technology Company Limited, Advertter Technology Company Limited, Mintegral International Limited, Westcore Technology Limited, Adlogic Technology Pte. Ltd. and Mobvista International Technology Limited, which collectively engage in mobile advertising businesses in the PRC and some overseas countries (the “Core Operations”), in consideration for 60,217,492 shares of the Worldwide BVI. In August 2018, the Company issued 1,000,000 shares to Seamless in exchange for the entire share capital of Worldwide BVI. Upon the completion of the Reorganisation, the Company becomes the holding company of the Group.

The Reorganisation is considered as business combinations under common control. Accordingly, the accompanying combined financial information has been prepared using the principles of merger accounting as if the Group had always been in existence. The combined statements of profit or loss, the combined statements of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statements of cash flows of the Group for each of the years ended 31 December 2015, 2016 and 2017 and six months ended 30 June 2018 have been prepared using the financial information of the companies engaged in the Core Operations and now comprising the Group, under the common control of Seamless as if the current group structure had been in existence throughout the Relevant Periods, or since the respective dates of incorporation/establishment of the combining companies, or since the date when the combining companies first came under the control of Seamless, whichever is a shorter period. The combined statements of financial position of the Group as at 31 December 2015, 2016 and 2017 and 30 June 2018 have been prepared to present the assets and liabilities of the combining companies now comprising the Group using the existing book values from the perspective of Seamless.

Certain assets and liabilities historically associated with the Other PRC Operating Entities that were not transferred to the Group and were retained by Guangzhou Mobvista in connection with the Reorganisation because they were not considered strategically complementary to the Group's mobile advertising businesses. These assets and liabilities have been included in the accompanying combined financial for periods prior to 31 May 2018 and reflected as a deemed distribution to Guangzhou Mobvista on 31 May 2018. The assets and liabilities retained by Guangzhou Mobvista, which are not complementary to the mobile advertising businesses, consisted of the following as at 31 May 2018:

	Note	US\$'000
Assets		
Property, plant and equipment-net	11	924
Intangible assets	12	29
Deferred tax assets		92
Deposits and prepayments		68,448
Other receivables		1,667
Restricted cash		12,472
Cash and cash equivalents	16(b)	2,024
Amounts due from related parties		39,079
		<u>124,735</u>
Liabilities		
Other payables		3,355
Amounts due to related parties		48,245
Current tax payable		652
Bank loans		32,335
		<u>84,587</u>
NET ASSETS		<u><u>40,148</u></u>

1.3 *Subsidiaries*

As at the date of this report, no audited financial statements have been prepared for the Company as it is an investment holding company and not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation. The financial statements of the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established.

Upon completion of the Reorganisation and as at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company name	Place and date of incorporation/ establishment	Issued and paid-up capital/ registered capital	Proportion of ownership interest		Principal activities	Note
			Direct	Indirect		
Worldwide BVI	British Virgin Islands ("BVI") 13 April 2018	US\$50,000	100%	—	Investment holding	1
Mobvista International Technology Limited ("MIT HK")	Hong Kong 15 December 2014	Hong Kong Dollar ("HK\$") 10,000	—	100%	Mobile advertising services	2
Advertter Technology Company Limited	Seychelles 24 June 2015	US\$100	—	100%	Mobile advertising services	1
Flash Banner Technology Company Limited	Seychelles 24 June 2015	US\$100	—	100%	Mobile advertising services	1
Mintegral Limited (formerly known as Pointer Ad Technology Company Limited)	Seychelles 24 June 2015	US\$100	—	100%	Mobile advertising services	1
Adlogic Technology Pte. Ltd.	Singapore 14 October 2015	Singapore Dollar 50,000	—	100%	Mobile advertising services	3
Mintegral International Limited (formerly known as Dime Freak Technology Limited).	Hong Kong 24 May 2013	HK\$10,000	—	100%	Mobile advertising services	7
Westcore Technology Limited	Cayman Islands 6 December 2015	US\$0.01	—	100%	Investment holding	1
Mobvista-Japan Co., Ltd.	Japan 22 September 2017	Japanese Yen 1,000,000	—	100%	Mobile advertising services	4
Guangzhou Huiliang Information Technology Company Limited* (廣州匯量信息科技有限公司, "Guangzhou Huiliang")	the PRC 2 April 2015	US\$1,000,000	—	100%	Technology and mobile advertising services	5
Eurocore B.V.	Netherlands 28 July 2016	Euro 1	—	100%	Investment holding	1

APPENDIX I
ACCOUNTANTS' REPORT

Company name	Place and date of incorporation/ establishment	Issued and paid-up capital/ registered capital	Proportion of ownership interest		Principal activities	Note
			Direct	Indirect		
Mobvista (India) Limited	India 10 October 2017	Indian Rupees 600,000	—	100%	Mobile advertising services	4
USCore, Inc	United States of America (“US”) 9 December 2015	US\$1	—	100%	Investment holding	1
Game Analytics ApS	Denmark 20 October 2011	Euro 74,067	—	100%	Mobile advertising analysis services	6
Mintegral North America Inc. (formerly known as NX Ads Inc.)	US 19 October 2017	US\$1	—	100%	Mobile advertising services	1
nativeX, LLC	US 9 June 2010	—	—	100%	Mobile advertising services	1
NX Info LLC	US 19 October 2017	—	—	100%	Mobile advertising services	1
Bulletproof Studio LLC.	US 7 October 2014	—	—	100%	Mobile advertising services	1
Game Analytics Ltd.	England and Wales 11 September 2014	British Pound 1	—	100%	Mobile advertising analysis services	1
Mobworld Technology Limited* (廣州匯世信息科技有限公司)	the PRC 6 February 2018	RMB5,000,000	—	100%	Mobile advertising services	1

The particulars of Other PRC Operating Entities are set out below:

Company name	Place and date of establishment	Issued and paid-up capital	Principal activities	Note
Guangzhou Ruisou Information Technology Co., Ltd. ("Guangzhou Ruisou")	the PRC 7 November 2013	RMB180,000,000	Mobile advertising services	1
Shenzhen Huirui Qianhai Information Technology Co., Ltd. ("Shenzhen Huirui")	the PRC 28 March 2016	RMB10,000,000	Mobile advertising services	1
Beijing Huiju Shanhe Internet Technology Co., Ltd. ("Beijing Huiju Shanhe")	the PRC 11 September 2014	RMB1,000,000	Technology services	1

Notes:

- 1 No statutory audited financial statements have been prepared for these companies during the Relevant Periods as they were either newly incorporated in 2018 or not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation/establishment.
 - 2 The statutory financial statements of this company for the period from 15 October 2014 to 31 January 2016 and for the year ended 31 January 2017 were prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and audited by Messrs. Dominic K.F. Chan & Co., Certified Public Accountants (Practising) in Hong Kong. As at the date of this report, the audited statutory financial statements of this company for the year ended 31 January 2018 was not yet issued.
 - 3 The statutory financial statements of this company for the financial period from 14 October 2015 to 31 January 2017 were prepared in accordance with Financial Reporting Standards in Singapore and audited by Grandeza Pac, public accountants and chartered accountants in Singapore. As at the date of this report, the audited statutory financial statements of this company for the year ended 31 January 2018 was not yet issued.
 - 4 These companies were incorporated in 2017 and no statutory financial statements have been prepared for them.
 - 5 The statutory financial statements of this company for each of the year ended 31 December 2015 and 2016 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC, and audited by Pan-China Certified Public Accountants Guangdong Branch (天健會計師事務所(特殊普通合夥)廣東分所) and Guangzhou Huazidian Certified Public Accountant (廣州華字典會計師事務所) respectively. No audited statutory financial statements have been prepared for this company for the year ended 31 December 2017.
 - 6 This company was acquired by the Group in 2016. The statutory financial statements of this company for the years ended 31 December 2016 and 2017 were prepared in accordance with Danish Financial Statement Act and audited by Deloitte Touche Tohmatsu Limited, certified public accountants in the Denmark.
 - 7 The statutory financial statements of this company for the period from 24 May 2013 to 31 December 2015 and for the years ended 31 December 2016 and 2017 were prepared in accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants, and audited by Messrs. Dominic K.F. Chan & Co., Certified Public Accountants (Practising) in Hong Kong.
- * The official name of these entities is in Chinese. The English name is for identification purpose only.

1.4 *Basis of preparation*

All companies now comprising the Group have adopted 31 December as their financial year end date, except for MIT HK and Adlogic Technology Pte. Ltd. (which have a year-end date of 31 January).

The Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board ("IASB"). Further details of the significant accounting policies adopted are set out in note 2.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRSs for the Relevant Periods, except for IFRS 9, Financial Instruments, which has been adopted since 1 January 2018. The Group has not early adopted any other new standards or interpretations that are not yet effective for the accounting year beginning on 1 January 2018. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on 1 January 2018 and which are not yet adopted by the Group are set out in note 29.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

1.5 *Changes of accounting policy*

IFRS 9 replaces IAS 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied IFRS 9 to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, the Historical Financial Information for the years ended 31 December 2015, 2016 and 2017 continues to be reported under IAS 39.

The following table summarises the impact of transition to IFRS 9 on retained earnings and reserves and the related tax impact at 1 January 2018:

	US\$'000
Retain earnings	
Recognition of additional expected credit losses on:	
- Trade and other receivables	329

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(a) *Classification of financial assets and financial liabilities*

IFRS 9 does not have any material impact on the classification of the Group's financial assets and financial liabilities as at 31 December 2017.

(b) *Credit losses*

IFRS 9 replaces the "incurred loss" model in IAS 39 with the "expected credit loss" (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in IAS 39.

For further details on the Group's accounting policy for accounting for credit losses, see note 2(h).

The following table reconciles the closing loss allowance determined in accordance with IAS 39 as at 31 December 2017 with the opening loss allowance determined in accordance with IFRS 9 as at 1 January 2018.

	US\$'000
Loss allowance at 31 December 2017 under IAS 39	12,090
Additional credit loss recognised at 1 January 2018 on:	
- Trade and other receivables	329
Loss allowance at 1 January 2018 under IFRS 9.	<u>12,419</u>

(c) *Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:

- Information relating to the years ended 31 December 2015, 2016 and 2017 has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for the years ended 31 December 2015, 2016 and 2017 continues to be reported under IAS 39 and thus may not be comparable with information for the six months ended 30 June 2018.
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

The assessments on the determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstance that existed at 1 January 2018 (the date of initial application of IFRS 9 by the Group).

2 Significant accounting policies

(a) *Basis of measurement and functional and presentation currency*

The Historical Financial Information is presented in United States dollar ("US\$"), rounded to the nearest thousand. The functional currency of the Company is Hong Kong dollar. The measurement basis used in the preparation of the financial statements is the historical cost basis except the available-for-sale investments are stated at fair value as explained in note 2(d).

(b) *Use of estimates and judgments*

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

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

Judgements made by management in the application of IFRSs that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(c) *Consolidation*

(i) *Subsidiaries and non-controlling interest*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is combined into the Historical Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)).

(ii) *Business combination not under common control*

Business combinations not under common control are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Deferred consideration comprises obligations to pay specific amounts at future dates. Deferred consideration is recognised and measured at fair value at the acquisition date and included in the consideration transferred. The unwinding of any interest element of deferred consideration is recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(iii) *Business combinations involving entities under common control*

The combined financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling shareholder.

The assets and liabilities of the combining entities or businesses are combined at the carrying amounts previously recognised in the respective controlling shareholder's financial statements.

The combined statements of profit or loss and comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the combined financial statements are presented as if the entities or businesses had been combined at the earliest balance sheet date presented or when they first came under common control, whichever is later.

(d) *Available-for-sale investments*

Available-for-sale investments are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs.

At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, available-for-sale investments that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(h)). Interest income from available-for-sale investments calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in note 2(p)(iii).

When the investments are derecognised or impaired (see note 2(h)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised / derecognised on the date the Group commits to purchase / sell the investments or they expire.

(e) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(h)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Motor vehicles	3 years
Office equipment, furniture and fittings	3 years
Leasehold improvements	Shorter of the remain term of the lease or 3 years

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) *Goodwill and intangible assets*

(i) *Goodwill*

Goodwill represents the excess of

- a) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- b) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

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

(ii) *Intangible assets*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(h)). Other development expenditure is recognised as an expense in the Relevant Period in which it is incurred.

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses (see note 2(h)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Software	1 - 3 years
Royalties	2 years
Trademark	7 years
Developed Technology	3 - 3.5 years

Management determined the trademark to have a useful life of 7 years based on (i) estimated period during which such asset can bring economic benefits to the Group; and (ii) the useful life estimated by a third party valuer with reference to the useful lives adopted by comparable companies in the market. Both the period and method of amortisation are reviewed annually.

(g) *Operating lease charges*

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(h) *Credit losses and impairment of assets*

(i) *Credit losses from financial instruments, contract assets and lease receivables*

(A) Policy applicable from 1 January 2018

The Group recognises a loss allowance for expected credit losses (ECLs) on the financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to related parties);

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using effective interest rate determined at initial recognition or an approximation thereof for fixed-rate financial assets and trade and other receivables where the effect of discounting is material.

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

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

Basis of calculation of interest income

Interest income recognised in accordance with note 2(p)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

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

(B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an “incurred loss” model was used to measure impairment losses on financial assets not classified as at FVPL (e.g. trade and other receivables, available-for-sale investments and held-to-maturity debt securities). Under the “incurred loss” model, an impairment loss was recognised only when there was objective evidence of impairment. Objective evidence of impairment included:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence existed, an impairment loss was determined and recognised as follows:

- For trade and other receivables and other financial assets carried at amortised cost, impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting was material. This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through profit or loss. A reversal of an impairment loss was only recognised to the extent that it did not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

When the recovery of a trade debtor or other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

- For available-for-sale investments, the cumulative loss that had been recognised in the fair value reserve (recycling) was reclassified to profit or loss. The amount of the cumulative loss that was recognised in profit or loss was the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities were not reversed through profit or loss. Any subsequent increase in the fair value of such assets was recognised in other comprehensive income.

Impairment losses recognised in profit or loss in respect of available-for-sale debt securities were reversed if the subsequent increase in fair value could be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances were recognised in profit or loss.

(ii) *Impairment of other assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment
- intangible assets; and
- goodwill

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

Reversals of impairment losses are credited to profit or loss in the period in which the reversals are recognised.

(i) *Trade and other receivables*

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(h)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(j) *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(k) *Trade and other payables*

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(m) *Employee benefits*

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) *Share-based payments*

The fair value of shares granted under the share incentive scheme to employees is recognised as an employee cost with a corresponding increase in an employee share-based compensation reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions (including lock up period) upon which the shares were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total estimated fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest (with a corresponding adjustment to the employee share-based compensation reserve).

(n) *Income tax*

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(o) *Provisions and contingent liabilities*

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) *Revenue recognition*

IFRS 15, "Revenue from Contracts with Customers" replaces the previous revenue standards IAS 18 "Revenue" and IAS "Construction Contracts" and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and has been adopted throughout the Relevant Periods.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfer control over service to a customer.

The following is a description of principal activities from which the Group generates its revenue.

(i) *Provision of mobile advertising services*

The Group's principal services are the provisions of mobile advertising services. The Group utilizes a combination of pricing models and revenue is recognised when the related services are delivered based on the specific terms of the contract, which are commonly based on:

- a) specified actions (i.e. cost per action ("CPA") and related campaign budgets, depending on the advertisers' preferences and their campaigns launched), or
- b) agreed rebates to be earned from certain publishers.

Specified actions

Revenue is recognized on a CPA basis once agreed actions (download, activation, registration and etc.) are performed. While none of the factors individually are considered presumptive or determinative, because the Group is the primary obligor and are responsible for (1) identifying and contracting with third-party advertisers which the Group views as customers; (2) identifying mobile publishers to provide mobile spaces where the Group views the mobile publishers as suppliers; (3) establishing the selling prices of CPA pricing model; (4) performing all billing and collection activities, including retaining credit risk; and (5) bearing sole responsibility for fulfillment of the advertising, the Group acts as the principal of these arrangements and therefore recognised revenue earned and costs incurred related to these transactions on a gross basis.

Agreed rebates to be earned from certain publishers

In the arrangement with certain publishers, the Group act as a sales agent for these publishers by having marketing clients market with this publisher. In return, the Group earn incentives from these publishers based on contractually stipulated amounts once certain spending thresholds are achieved. The Group consider these particular publishers as customers and record such incentives as net revenues. Incentives from these publishers are calculated on a quarterly or an annual basis in accordance with the terms as agreed in arrangements.

(ii) *Game publishing*

Sole Publishing

The Group operates third party developers' games through cooperation with game developers and platforms (i.e. the vendors). The revenue from the virtual items sold is shared between the Group, game developers and the vendors, which is pre-determined in separate revenue sharing arrangements. The Group has evaluated and determined it is the primary obligor in the services rendered to the game players. Accordingly the Group records its revenue at gross amount and the portion of sharing of revenue with both the game developers and the vendors are recorded as cost of sales.

The Group has adopted a policy to recognize revenues for both consumable and durable items through virtual world tokens over the period of game players' relationship with the Group on a game-by-game basis.

Cooperative publishing

The Group publishes third party developers' games by cooperating with local publishers. The Group has evaluated and determined it is not the primary obligor in the services rendered to the game players, but generating revenue by rendering sub-license and operating support service to local publishers. The Group generates its revenue by sharing certain portion of the revenue from virtual items sold, which is the net amount received from the local publishers. The Group has adopted a policy to recognize revenues from cooperative publishing over the period of game players' relationship with the Group on a game-by-game basis.

(iii) *Interest income*

Interest income is recognised as it accrues using the effective interest method.

(iv) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(q) *Translation of foreign currencies*

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss policies.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transactions dates.

The results of foreign operations are translated into United States dollar at the average exchange rates for the period which approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into United States dollar at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(r) ***Borrowing cost***

Borrowing costs are expensed in the period in which they are incurred.

(s) ***Related parties***

(i) *A person, or a close member of that person's family, is related to the Group if that person:*

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

(ii) *An entity is related to the Group if any of the following conditions applies:*

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (6) The entity is controlled or jointly controlled by a person identified in (i).
- (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(t) ***Segment reporting***

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 Accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the Historical Financial Information. The principal accounting policies are set forth in note 2. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the Historical Financial Information.

(a) *Principal versus agent considerations — revenue from provision of mobile advertising service*

In determining whether the Group is acting as a principal or as an agent in the provision of mobile advertising services requires judgements and considerations of all relevant facts and circumstances. The Group is a principal in a transaction if the Group obtains control of services provided before they are transferred to customers. If control is unclear, when the Group is primarily obligated in a transaction, and has latitude in establishing prices and selecting publishers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from services provided.

(b) *Impairment of trade receivables*

Receivables that are measured at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recorded. Objective evidence of impairment includes observable data that comes to the attention of the Group about loss events such as significant decline in the estimated future cash flows of an individual debtor or the portfolio of debtors, and significant changes in the financial condition that have an adverse effect on the debtor. If there is a change in the objective evidence of impairment in relation to the debtors, the actual impairment loss would be higher or lower than the allowance for doubtful debts recognised in the Historical Financial Information.

(c) *Income taxes*

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognised liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the actual current and deferred income tax in the period in which such determination is made.

In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised upon the likely timing and the level of future taxable profits of the individual entities together with the tax planning strategies.

4 Revenue

The Group is principally engaged in provision of mobile advertising services in the Relevant Periods. For the purpose of resources allocation and performance assessment, the Group's management focuses on the operating results of the Group as a whole. As such, the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

The disaggregation of revenue from contracts with customers by the timing of revenue recognition during the Relevant Periods is as follows:

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
Point in time	158,253	267,592	312,044	171,506	184,419
Over time.	8,954	16,331	912	827	32
	<u>167,207</u>	<u>283,923</u>	<u>312,956</u>	<u>172,333</u>	<u>184,451</u>

The amount of each significant category of revenue recognised during the Relevant Periods is as follows:

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
Provision of mobile advertising services . . .	158,253	267,592	312,044	171,506	184,419
Game publishing.	8,954	16,331	912	827	32
	<u>167,207</u>	<u>283,923</u>	<u>312,956</u>	<u>172,333</u>	<u>184,451</u>

The Group's customer base is diversified and includes one, nil, nil (unaudited) and one customer with whom transactions have exceeded 10% of the Group's revenues for each of the years ended 31 December 2015, 2016 and 2017 and six months ended 30 June 2017 and 2018 respectively. Revenues from this customer during the Relevant Periods are set out below.

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
Customer A	<u>37,114</u>	<u>N/A*</u>	<u>N/A*</u>	<u>N/A*</u>	<u>68,008</u>

Note: * represents that the amount of revenue from that customer is less than 10% of the total revenue of that year/period.

Details of concentrations of credit risk arising from customers are set out in note 25(a).

Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location of the customers' headquarters.

	Revenue from external customers				
	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
China (note (i))	122,047	135,279	140,076	75,446	118,527
Americas	9,324	49,957	61,681	36,467	17,557
Southeast Asia (note (ii)).	14,760	31,840	30,283	13,229	11,632
Other Asian countries	12,995	30,327	41,904	24,811	19,031
Europe.	4,783	17,936	20,510	14,753	8,959
Others	3,298	18,584	18,502	7,627	8,745
	<u>167,207</u>	<u>283,923</u>	<u>312,956</u>	<u>172,333</u>	<u>184,451</u>

Notes:

- (i) Includes Mainland China, Hong Kong, Macau and Taiwan.
(ii) Includes Singapore, Vietnam, Indonesia, Thailand, Malaysia, Cambodia, Myanmar and Philippines.

5 Other net income

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
Interest income.	3	292	585	179	1,005
Net foreign exchange gain/(loss)	10	95	(213)	(664)	197
Gain on disposal of available-for-sale investments.	—	—	892	892	—
Government grants (note)	—	16	302	162	502
Others	—	181	238	183	(30)
	<u>13</u>	<u>584</u>	<u>1,804</u>	<u>752</u>	<u>1,674</u>

Note: Government grant in the Relevant Periods represented unconditional cash subsidies received by certain PRC subsidiaries from local government for the Group's achievement. There are no unfulfilled conditions or contingencies relating to such government grants income recognised.

6 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000 (unaudited)	US\$'000
(a) <i>Finance costs</i>					
Interest expenses on bank loans	100	759	189	54	231
(b) <i>Staff costs</i>					
Contributions to defined contribution retirement plans (note 20)	369	1,017	1,517	695	1,177
Share-based compensation expenses (note 21)	2,916	4,459	3,230	2,347	391
Salaries, wages and other benefits	5,231	18,980	32,919	14,309	18,295
	<u>8,516</u>	<u>24,456</u>	<u>37,666</u>	<u>17,351</u>	<u>19,863</u>
(c) <i>Other items</i>					
Depreciation (note 11).	77	342	635	261	337
Amortisation (note 12)	583	2,007	813	311	813
Impairment losses of intangible assets (note 12)	—	1,739	—	—	—
Impairment losses of trade receivables (note 25(a)).	571	11,041	1,185	1,465	324
Impairment losses/(reversals) of other receivables	26	(22)	117	78	—
Auditor's remuneration	51	47	348	—	18
Listing expenses	—	—	—	—	1,887
Operating lease charges in respect of properties	422	1,075	2,108	720	1,205

7 Income tax in the combined statements of profit or loss

(a) *Income tax in the combined statements of profit or loss represents:*

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000 (unaudited)	US\$'000
Current tax	3,149	5,169	6,064	4,163	32
Deferred tax	(1,669)	(2,783)	(2,969)	(1,541)	1,125
	<u>1,480</u>	<u>2,386</u>	<u>3,095</u>	<u>2,622</u>	<u>1,157</u>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands, the BVI and Seychelles, the Group is not subject to any income tax in the Cayman Islands, the BVI and Seychelles.
- (ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the Relevant Periods.
- (iii) Adlogic Technology Pte. Ltd., a subsidiary in Singapore, is subject to the prevailing corporate income tax rate of 17% in Singapore.
- (iv) USCore, Inc., a subsidiary in the United States, is subject to federal income tax rate of 34% in the United States for the years ended 31 December 2015, 2016 and 2017. Due to the U.S. Tax Cuts and Jobs Acts, the federal income tax rate of USCore, Inc. had been reduced to 21% effective on 1 January 2018. In addition, USCore, Inc. is subject to taxation in various states of the United States. nativeX, LLC, a wholly-owned subsidiary of USCore, Inc., is treated as a disregarded entity for income tax purpose and its income or loss are included in the income tax calculation of USCore, Inc..
- (v) The Enterprise Income Tax ("EIT") rate applicable to the subsidiaries registered in the PRC is 25% for the Relevant Periods.
- (vi) Guangzhou Huiliang, a subsidiary in the PRC, is accredited as a "high and new technology enterprise" and applicable for a preferential corporate income tax rate of 15% commencing from 2017.
- (vii) According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% (for years prior to 31 December 2016) or 175% (for the years ended/ending 31 December 2017, 2018 and 2019) of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The Group has made its best estimate for Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the Relevant Periods.
- (viii) The PRC EIT Law and its implementation rules impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividends distributed by PRC-resident enterprises to their non-PRC-resident corporate investors for profits earned since 1 January 2008. Under the Sino-Hong Kong Double Tax Arrangement, a qualified Hong Kong tax resident is entitled to a reduced withholding tax rate of 5% if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interest of the PRC enterprise directly.

(b) *Reconciliation between income tax expense and accounting profit at applicable tax rates:*

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
Profit before taxation	10,191	22,167	30,415	22,825	11,288
Notional tax on profit before taxation, calculated at the standard tax rates applicable to the respective tax jurisdictions	1,299	2,036	3,794	2,771	2,664
Tax effect of non-deductible expenses	197	199	22	125	94
Tax effect of non-taxable income	—	(40)	(157)	(87)	(170)
Utilisation of previously unrecognised tax losses	—	(656)	(346)	—	—
Tax effect of tax losses and temporary differences not recognised	64	1,024	20	3	—
Super Deduction for research and development expenses	(80)	(177)	(238)	(190)	(1,036)
Over-provision in prior years	—	—	—	—	(395)
Total income tax expense	1,480	2,386	3,095	2,622	1,157

8 Directors' emoluments

Directors' emoluments are disclosed as follows:

Year ended 31 December 2015

	Directors' fees	Salaries, allowances and other benefits in kind	Retirement scheme contributions	Discretionary bonuses	Sub-Total	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Directors							
Duan Wei	—	54	2	—	56	—	56
Cao Xiaohuan	—	54	2	—	56	483	539
Xi Yuan.	—	15	1	—	16	717	733
Fang Zikai.	—	10	2	—	12	902	914
Total	—	133	7	—	140	2,102	2,242

Year ended 31 December 2016

	Directors' fees	Salaries, allowances and other benefits in kind	Retirement scheme contributions	Discretionary bonuses	Sub-Total	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Directors							
Duan Wei	—	79	4	—	83	—	83
Cao Xiaohuan	—	78	4	—	82	509	591
Xi Yuan.	—	41	2	—	43	1,526	1,569
Fang Zikai.	—	28	4	—	32	2,169	2,201
Total	—	226	14	—	240	4,204	4,444

Year ended 31 December 2017

	Directors' fees	Salaries, allowances and other benefits in kind	Retirement scheme contributions	Discretionary bonuses	Sub-Total	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Directors							
Duan Wei	—	90	4	—	94	—	94
Cao Xiaohuan	—	90	4	—	94	456	550
Xi Yuan.	—	182	5	47	234	947	1,181
Fang Zikai.	—	66	5	47	118	1,581	1,699
Total	—	428	18	94	540	2,984	3,524

Six months ended 30 June 2018

	Directors' fees	Salaries, allowances and other benefits in kind	Retirement scheme contributions	Discretionary bonuses	Sub-Total	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Directors							
Duan Wei	—	48	2	—	50	—	50
Cao Xiaohuan	—	48	2	—	50	7	57
Xi Yuan.	—	39	3	—	42	192	234
Fang Zikai.	—	43	3	—	46	192	238
Total	—	178	10	—	188	391	579

*Six months ended 30 June 2017
(Unaudited)*

	Directors' fees	Salaries, allowances and other benefits in kind	Retirement scheme contributions	Discretionary bonuses	Sub-Total	Share-based payments	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Directors							
Duan Wei	—	47	2	—	49	—	49
Cao Xiaohuan	—	47	2	—	49	238	287
Xi Yuan.	—	88	7	—	95	843	938
Fang Zikai.	—	25	2	—	27	1,147	1,174
Total	—	207	13	—	220	2,228	2,448

Notes:

1. Mr. Duan Wei, Mr. Cao Xiaohuan, Mr. Xi Yuan and Mr. Fang Zikai were appointed as executive directors of the Company in April 2018, April 2018, June 2018 and June 2018 respectively. All the executive directors are key management personnel of the Group during the Relevant Periods and their remuneration disclosed above include those for services rendered by them as key management personnel.
2. Mr. Ying Lei, Mr. Wang Jianxin and Mr. Hu Jie were appointed as independent non-executive directors in October 2018.

During the Relevant Periods, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

9 Individual with highest emoluments

Of the five individuals with the highest emoluments, 3, 3, 3, 3 (unaudited) and 3 of them are the director for the years ended 31 December 2015, 2016 and 2017 and six months ended 30 June 2017 and 2018, respectively, whose emoluments are disclosed in note 8 above. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
Salaries and other emoluments	37	149	400	434	430
Discretionary bonus	—	97	203	—	—
Share-based compensation	760	155	—	—	—
Retirement scheme contributions	5	8	41	6	30
	<u>802</u>	<u>409</u>	<u>644</u>	<u>440</u>	<u>460</u>

The emoluments of the above individuals with the highest emoluments for the years ended 31 December 2015, 2016 and 2017 and six months ended 30 June 2017 and 2018, respectively are within the following band:

	Year ended 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				(unaudited)	
HK\$ Nil to HK\$1,000,000.	1	—	—	—	—
HK\$1,500,001 to HK\$2,000,000	—	2	—	2	2
HK\$2,000,001 to HK\$2,500,000	—	—	1	—	—
HK\$2,500,001 to HK\$3,000,000	—	—	1	—	—
HK\$5,000,001 to HK\$5,500,000	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

10 Earnings per share

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results for the Relevant Periods using the basis of preparation and presentation as disclosed in note 1.

11 Property, plant and equipment

	Note	Motor vehicles	Office equipment, furniture and fittings	Leasehold improvements	Construction in progress	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost:						
At 1 January 2015.....		—	—	—	—	—
Additions		—	331	728	—	1,059
Exchange difference		—	(13)	(30)	—	(43)
At 31 December 2015		—	318	698	—	1,016
Additions		104	313	254	—	671
Additions through business combination.....		—	211	—	—	211
Exchange difference		(4)	(35)	(56)	—	(95)
At 31 December 2016		100	807	896	—	1,803
Additions		10	411	656	—	1,077
Disposals		—	(173)	(1)	—	(174)
Exchange difference		6	51	76	—	133
At 31 December 2017		116	1,096	1,627	—	2,839
Additions		—	211	15	225	451
Disposals		—	(65)	(7)	—	(72)
Deemed distribution	1.2	(118)	(130)	(636)	(225)	(1,109)
Exchange difference		2	(11)	1	—	(8)
At 30 June 2018		—	1,101	1,000	—	2,101
Accumulated depreciation:						
At 1 January 2015.....		—	—	—	—	—
Charge for the year		—	(49)	(28)	—	(77)
Exchange difference		—	2	1	—	3
At 31 December 2015		—	(47)	(27)	—	(74)
Charge for the year		—	(153)	(189)	—	(342)
Exchange difference		—	11	11	—	22
At 31 December 2016		—	(189)	(205)	—	(394)
Charge for the year		(32)	(300)	(303)	—	(635)
Written back on disposals		—	118	1	—	119
Exchange difference		(1)	(22)	(23)	—	(46)
At 31 December 2017		(33)	(393)	(530)	—	(956)
Charge for the period		(17)	(167)	(153)	—	(337)
Written back on disposals		—	33	6	—	39
Deemed distribution	1.2	50	30	105	—	185
Exchange difference		—	6	4	—	10
At 30 June 2018		—	(491)	(568)	—	(1,059)
Net book value:						
At 31 December 2015		—	271	671	—	942
At 31 December 2016		100	618	691	—	1,409
At 31 December 2017		83	703	1,097	—	1,883
At 30 June 2018		—	610	432	—	1,042

As at 31 May 2018, property, plant and equipment with aggregate net book value of approximately US\$924,000 were retained by Guangzhou Mobvista and had been reflected as deemed distribution to Guangzhou Mobvista during the six months ended 30 June 2018.

12 Intangible assets

	Note	Royalties	Software	Trademark	Developed Technology	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost:						
At 1 January 2015		—	—	—	—	—
Additions		1,624	24	2	—	1,650
Disposals		(489)	—	—	—	(489)
Exchange difference		(46)	(1)	—	—	(47)
At 31 December 2015		1,089	23	2	—	1,114
Additions		1,005	98	5	—	1,108
Additions through business combination		—	—	1,150	2,814	3,964
Disposals		(989)	—	—	—	(989)
Exchange difference		69	(3)	—	—	66
At 31 December 2016		1,174	118	1,157	2,814	5,263
Additions		—	86	—	2,620	2,706
Disposals		—	(25)	—	—	(25)
Exchange difference		—	6	—	—	6
At 31 December 2017		1,174	185	1,157	5,434	7,950
Additions		—	87	—	1,477	1,564
Disposals		—	—	—	—	—
Deemed distribution	1.2	—	(37)	—	—	(37)
Exchange difference		—	(3)	—	—	(3)
At 30 June 2018		1,174	232	1,157	6,911	9,474
Accumulated amortisation:						
At 1 January 2015		—	—	—	—	—
Charge for the year		(575)	(8)	—	—	(583)
Written back on disposals		207	—	—	—	207
Exchange difference		15	—	—	—	15
At 31 December 2015		(353)	(8)	—	—	(361)
Charge for the year		(1,249)	(53)	(137)	(568)	(2,007)
Written back on disposals		852	—	—	—	852
Impairment loss		(366)	—	—	(1,373)	(1,739)
Exchange difference		(20)	2	—	—	(18)
At 31 December 2016		(1,136)	(59)	(137)	(1,941)	(3,273)
Charge for the year		(38)	(54)	(165)	(556)	(813)
Written back on disposals		—	17	—	—	17
Exchange difference		—	(3)	—	—	(3)
At 31 December 2017		(1,174)	(99)	(302)	(2,497)	(4,072)
Charge for the period		—	(43)	(82)	(688)	(813)
Written back on disposals		—	—	—	—	—

	Note	Royalties	Software	Trademark	Developed Technology	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Deemed distribution	1.2	—	8	—	—	8
Exchange difference		—	2	—	—	2
At 30 June 2018.		<u>(1,174)</u>	<u>(132)</u>	<u>(384)</u>	<u>(3,185)</u>	<u>(4,875)</u>
Net book value:						
At 31 December 2015.		<u>736</u>	<u>15</u>	<u>2</u>	<u>—</u>	<u>753</u>
At 31 December 2016.		<u>38</u>	<u>59</u>	<u>1,020</u>	<u>873</u>	<u>1,990</u>
At 31 December 2017.		<u>—</u>	<u>86</u>	<u>855</u>	<u>2,937</u>	<u>3,878</u>
At 30 June 2018.		<u>—</u>	<u>100</u>	<u>773</u>	<u>3,726</u>	<u>4,599</u>

As at 31 May 2018, software with net book value of approximately US\$29,000 were retained by Guangzhou Mobvista and had been reflected as deemed distribution to Guangzhou Mobvista during the six months ended 30 June 2018.

During the year ended 31 December 2016, the Group decided to cease its game publishing operation and replace one of its operation platforms with another new platform. Consequently, the carrying amounts of related royalties and developed technology were fully written down by US\$366,000 and US\$1,373,000 respectively.

13 Goodwill

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cost:				
At 1 January	—	—	28,998	28,998
Arising from business combinations	—	28,998	—	—
At 31 December	<u>—</u>	<u>28,998</u>	<u>28,998</u>	<u>28,998</u>
Carrying amount:				
At 31 December	<u>—</u>	<u>28,998</u>	<u>28,998</u>	<u>28,998</u>

Goodwill in connection with the acquisition of nativeX, LLC

In connection with the Group's acquisition of nativeX, LLC, the Group recognised goodwill of US\$19,981,000 during the year ended 31 December 2016 (note 24). For the purpose of impairment testing, goodwill has been allocated to the Group's cash-generating units (CGU) identified according to country of operation.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projection based on financial forecasts approved by management covering a five-year period. Cash flows beyond the aforementioned financial forecasts period are extrapolated using estimated growth rate stated below. The key assumptions used in the estimation of the recoverable amount

are pre-tax discount rate and budgeted revenue growth rate (average of financial forecasts period) set out below. The expected revenue growth rate is following the business plan approved by the Group. Pre-tax discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Goodwill in connection with the acquisition of nativeX, LLC

	As at 31 December 2016	As at 31 December 2017
<i>In percent</i>		
Pre-tax discount rate	18.6%	19.1%
Terminal value growth rate	5.0%	5.0%
Budgeted revenue growth rate (average of financial forecasts period).	<u>15.0%</u>	<u>11.0%</u>

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately US\$1,614,000 and US\$5,486,000 respectively as at 31 December 2016 and 2017.

The Company performs the sensitivity analysis based on the assumption that pre-tax discount rate and revenue growth rate has been changed. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

	As at 31 December		
	2015	2016	2017
	US\$'000	US\$'000	US\$'000
Pre-Tax discount rate increase by 5%	N/A	807	3,779
Budgeted revenue growth rate decrease by 5%.	N/A	939	4,132

As at 31 December 2016, if the pre-tax discount rate rose to 20% or budgeted revenue growth rate (average of financial forecasts period) decreased to 13%, the recoverable amount of the CGU would be approximately equal to its carrying amount. As at 31 December 2017, if the pre-tax discount rate rose to 22.4% or budgeted revenue growth rate (average of financial forecasts period) decreased to 6%, the recoverable amount of the CGU would be approximately equal to its carrying amount.

Reasonable possible changes in key assumptions would not lead to impairment as at 31 December 2016 and 2017, respectively.

Goodwill in connection with the acquisition of Game analytics ApS

In connection with the Group's acquisition of Game analytics ApS, the Group recognised goodwill of US\$9,017,000 during the year ended 31 December 2016 (note 24). For the purpose of impairment testing, goodwill has been allocated to the Group's cash-generating units (CGU) identified according to country of operation.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projection based on financial forecasts approved by management covering a six-year period. Cash flows beyond the aforementioned financial forecasts period are extrapolated using estimated growth rate stated below. The Group believes that it is appropriate to cover a six-year period in its cash flow projection, because it captures the development stage of the CGU's businesses during which the

Group expects to experience a high growth rate. The key assumptions used in the estimation of the recoverable amount are pre-tax discount rate and budgeted revenue growth rate (average of financial forecasts period) set out below. The expected revenue growth rate is following the business plan approved by the Group. Pre-tax discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Goodwill in connection with the acquisition of Game Analytics ApS

	As at 31 December 2016	As at 31 December 2017
<i>In percent</i>		
Pre-tax discount rate	10.5%	11.0%
Terminal value growth rate	2.0%	2.0%
Budgeted revenue growth rate (average of financial forecasts period)	<u>10.0%</u>	<u>11.0%</u>

Management adopted the same key assumptions in their impairment assessment at 31 December 2016 as those adopted in the valuation performed on the acquisition date of business of Game analytics ApS on 8 August 2016 as there were no significant change during that period in the underlying internal and external factors that would affect the valuation of the assets acquired.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately US\$1,779,000 and US\$2,964,000 as at 31 December 2016 and 2017.

The Company performs the sensitivity analysis based on the assumption that pre-tax discount rate and budgeted revenue growth rate (average of financial forecasts period) has been changed. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

	As at 31 December		
	2015	2016	2017
	US\$'000	US\$'000	US\$'000
Pre-Tax discount rate increase by 5%	N/A	1,090	1,329
Budgeted revenue growth rate decrease by 5%.	N/A	1,006	1,952

As at 31 December 2016, if the pre-tax discount rate rose to 12.0% or budgeted revenue growth rate (average of financial forecasts period) decreased to 7.7%, the recoverable amount of the CGU would be approximately equal to its carrying amount. As at 31 December 2017, if the pre-tax discount rate rose to 12.5% or budgeted revenue growth rate (average of financial forecasts period) decreased to 6.8%, the recoverable amount of the CGU would be approximately equal to its carrying amount.

Reasonable possible changes in key assumptions would not lead to impairment as at 31 December 2016 and 2017, respectively.

Impairment assessment for the six months ended 30 June 2018

In accordance with the Group's accounting policies, goodwill is tested for impairment on an annual basis at each year end. As of 30 June 2018, management did not identify any impairment indicators considering (i) the CGUs' actual financial performance for the six months ended 30 June 2018 is not inconsistent with the forecast utilised in the impairment test as of 31 December 2017; (ii) management is not aware of any significant changes that could have adverse impact on the businesses, and as a result, no impairment assessment as of 30 June 2018 was considered necessary.

14 Other financial assets

	Note	As at 31 December			As at 30 June 2018
		2015	2016	2017	
		US\$'000	US\$'000	US\$'000	US\$'000
Available-for-sale financial assets	(i)	—	608	—	—
Financial assets at fair value through profit or loss ("FVPL")	(ii)	—	—	—	1,000
		—	608	—	1,000

Notes:

- (i) Available-for-sale financial assets at 31 December 2016 represented unlisted equity investment which was disposed during the year ended 31 December 2017.
- (ii) Financial assets at FVPL at 30 June 2018 represented a loan receivable from a third party acquired by the Group in March 2018. The loan has a principle amount of US\$1,000,000 and bears an interest at 3% per annum, and carries a conversion option to acquire certain equity interest in a company. This convertible loan and the embedded conversion option has been entirely classified to financial assets at FVPL in accordance with IFRS 9. As at 30 June 2018, the fair value of the financial assets at FVPL is not materially different from the principle amount of US\$1,000,000.

15 Trade and other receivables

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	56,700	107,371	89,857	121,021
Less: Allowance for doubtful debts	(571)	(11,612)	(12,090)	(12,743)
	56,129	95,759	77,767	108,278
Deposits and prepayments	853	1,028	68,651	5,086
Amounts due from related parties (note 27(b)(i))	151	3,293	35,896	56,785
Other receivables	631	2,291	1,810	2,799
	57,764	102,371	184,124	172,948
Less: Non-current deposits and prepayments	—	(25)	(65,992)	—
	57,764	102,346	118,132	172,948

All of the trade and other receivables (including amounts due from related parties) included in current assets are expected to be recovered or recognised as expense within one year.

Non-current deposits and prepayments at 31 December 2017 mainly represent prepayments for properties. As at 31 May 2018, such prepayments for properties were retained by Guangzhou Mobvista and had been reflected as deemed distribution to Guangzhou Mobvista during the six months ended 30 June 2018.

As at 31 December 2015, 2016 and 2017 and 30 June 2018, the amounts due from related parties were unsecured, interest-free and repayable on demand. As at the Latest Practicable Date, all amounts due from related parties have been fully settled.

(a) *Ageing analysis*

As at 31 December 2015, 2016 and 2017 and 30 June 2018, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the revenue recognition date and net of allowance for doubtful debts, is as follows:

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Within 3 months	43,369	75,675	55,194	84,901
3 to 6 months	11,876	12,401	10,141	12,718
6 to 12 months	884	6,777	8,944	7,088
Over 12 months	—	906	3,488	3,571
	<u>56,129</u>	<u>95,759</u>	<u>77,767</u>	<u>108,278</u>

Trade receivables are due within 60-90 days from the date of revenue recognition. Further details on the Group's credit policy are set out in note 25(a).

16 **Cash and bank balances**

(a) *Restricted cash*

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the combined statements of financial position, and is not included in the total cash and cash equivalents in the combined statements of cash flows.

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Term deposits pledged for bank borrowings	—	—	47,243	—
Other deposits in banks	104	121	375	345
	<u>104</u>	<u>121</u>	<u>47,618</u>	<u>345</u>

(b) *Cash and cash equivalents*

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank and on hand	<u>8,864</u>	<u>71,884</u>	<u>44,797</u>	<u>34,742</u>

As at 31 December 2015, 2016 and 2017 and 30 June 2018, cash and cash equivalents placed with banks in Mainland China amounted to US\$1,589,000, US\$5,358,000, US\$15,434,000 and US\$6,755,000 respectively. Remittance of funds out of Mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

As at 31 May 2018, cash and cash equivalents with an aggregate carrying value of approximately US\$2,024,000, were retained by Guangzhou Mobvista and had been reflected as deemed distribution to Guangzhou Mobvista for the six months ended 30 June 2018.

(c) *Reconciliation of profit before taxation to cash (used in)/generated from operations:*

	Note	for the years ended 31 December			for the six months ended	
					30 June	
		2015	2016	2017	2017	2018
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
					(unaudited)	
Profit before taxation		10,191	22,167	30,415	22,825	11,288
Adjustments for:						
Depreciation	6(c)	77	342	635	261	337
Amortisation	6(c)	583	2,007	813	311	813
Interest expense	6(a)	100	759	189	54	231
Interest income	5	(3)	(292)	(585)	(179)	(1,005)
Net loss on disposal of property, plant and equipment		—	—	43	15	30
Net loss on disposal of intangible asset		282	137	8	—	—
Equity-settled share-based payment expenses		2,916	4,459	3,230	2,347	391
Impairment loss recognised	6(c)	597	12,758	1,302	1,543	324
Gain on disposal of available-for-sale investments . .		—	—	(892)	(892)	—
Changes in working capital:						
(Increase)/decrease in trade and other receivables		(58,204)	(46,463)	16,166	15,444	(34,753)
Increase/(decrease) in trade and other payables		30,898	35,980	4,748	(246)	26,161
Cash (used in)/generated from operations		<u>(12,563)</u>	<u>31,854</u>	<u>56,072</u>	<u>41,483</u>	<u>3,817</u>

(d) *Reconciliation of liabilities arising from financing activities*

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's combined statements of cash flows as cash flows from financing activities.

	Bank loans	Interest payable	Amounts due from/(to) related parties	Total
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2015	—	—	—	—
Changes from financing cash flows:				
Proceeds from bank loans	22,204	—	—	22,204
Repayment of bank loans	(12,256)	—	—	(12,256)
Advance from related parties	—	—	14,222	14,222
Interest paid	—	(79)	—	(79)
Total changes from financing cash flows . . .	9,948	(79)	14,222	24,091
Other changes:				
Interest expenses (note 6(a))	—	100	—	100
Total other changes	—	100	—	100
At 31 December 2015	9,948	21	14,222	24,191
At 1 January 2016	9,948	21	14,222	24,191
Changes from financing cash flows:				
Proceeds from bank loans	72,729	—	—	72,729
Repayment of bank loans	(76,967)	—	—	(76,967)
Advance from related parties	—	—	67,893	67,893
Interest paid	—	(741)	—	(741)
Total changes from financing cash flows . . .	(4,238)	(741)	67,893	62,914
Other changes:				
Interest expenses (note 6(a))	—	759	—	759
Total other changes	—	759	—	759
At 31 December 2016	5,710	39	82,115	87,864

	Bank loans	Interest payable	Amounts due from/(to) related parties	Total
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2017	5,710	39	82,115	87,864
Changes from financing cash flows:				
Proceeds from bank loans	54,618	—	—	54,618
Repayment of bank loans	(19,884)	—	—	(19,884)
Repayment to related parties	—	—	(15,047)	(15,047)
Interest paid	—	(131)	—	(131)
Total changes from financing cash flows . . .	34,734	(131)	(15,047)	19,556
Exchange adjustment	(1)	—	—	(1)
Other changes:				
Interest expenses (note 6(a))	—	189	—	189
Total other changes	—	189	—	189
At 31 December 2017	<u>40,443</u>	<u>97</u>	<u>67,068</u>	<u>107,608</u>
At 1 January 2018	40,443	97	67,068	107,608
Changes from financing cash flows:				
Proceeds from bank loans	36,649	—	—	36,649
Repayment of bank loans	(27,442)	—	—	(27,442)
Deemed distribution (note 1.2)	(32,335)	—	(9,166)	(41,501)
Repayment to related parties	—	—	(45,594)	(45,594)
Interest paid	—	(907)	—	(907)
Total changes from financing cash flows . . .	(23,128)	(907)	(54,760)	(78,795)
Exchange adjustment	624	—	—	624
Other changes:				
Interest expenses (note 6(a))	—	231	—	231
Capitalised borrowing costs	—	679	—	679
Total other changes	—	910	—	910
At 30 June 2018	<u>17,939</u>	<u>100</u>	<u>12,308</u>	<u>30,347</u>

<i>(Unaudited)</i>	Bank loans	Interest Payable	Amounts due	Total
			from/ (to)	
	US\$'000	US\$'000	related parties	US\$'000
At 1 January 2017	5,710	39	82,115	87,864
Changes from financing cash flows:				
Proceeds from bank loans	5,534	—	—	5,534
Repayment of bank loans	(5,947)	—	—	(5,947)
Repayment to related parties	—	—	(1,886)	(1,886)
Interest paid	—	(54)	—	(54)
Total changes from financing cash flows . . .	(413)	(54)	(1,886)	(2,353)
Other changes:				
Interest expenses (note 6(a))	—	54	—	54
Total other changes	—	54	—	54
At 30 June 2017	<u>5,297</u>	<u>39</u>	<u>80,229</u>	<u>85,565</u>

17 Trade and other payables

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables (note (a))	28,639	62,362	66,700	90,012
Amounts due to related parties (note 27(b)(ii))	14,373	85,408	102,964	69,093
Dividends payable	—	5,475	—	—
Other payables	533	6,363	3,239	4,653
Receipt in advance	306	2,826	1,893	3,133
Staff costs payables	1,444	3,568	5,447	3,080
VAT and other tax payables	17	1,148	715	250
	<u>45,312</u>	<u>167,150</u>	<u>180,958</u>	<u>170,221</u>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

As at 31 December 2015, 2016 and 2017 and 30 June 2018, the amounts due to related parties were non-trade related, unsecured and interest-free. As at the Latest Practicable Date, all amounts due to related parties have been fully settled.

(a) *An ageing analysis of the trade payables based on the invoice date is as follows:*

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 month	18,627	25,662	20,007	32,105
1 to 2 months	5,087	15,234	13,896	20,573
2 to 3 months	2,103	8,890	8,981	17,163
Over 3 months	2,822	12,576	23,816	20,171
	<u>28,639</u>	<u>62,362</u>	<u>66,700</u>	<u>90,012</u>

18 Bank loans

As at 31 December 2015, 2016 and 2017 and 30 June 2018, the bank loans were repayable as follows:

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 year or on demand	5,368	5,710	7,587	17,939
After 1 year but within 2 years	4,580	—	—	—
After 2 years but within 5 years	—	—	32,856	—
	<u>9,948</u>	<u>5,710</u>	<u>40,443</u>	<u>17,939</u>

As at 31 December 2015, 2016 and 2017 and 30 June 2018, the bank loans were secured as follows:

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Unsecured (a)	9,948	5,710	7,587	17,939
Secured (b)	—	—	32,856	—
	<u>9,948</u>	<u>5,710</u>	<u>40,443</u>	<u>17,939</u>

Notes:

(a) As at 31 December 2015, the Group has unsecured bank loans amounted to US\$9,948,000 including: (i) US\$788,000 drawn down under a banking facility amounted to US\$4,000,000 which is guaranteed by certain individual shareholders of Guangzhou Mobvista; (ii) US\$9,160,000 bank loan guaranteed by Guangzhou Mobvista.

As at 31 December 2016, the Group has unsecured bank loans amounted to US\$5,710,000 including (i) US\$1,588,000 drawn down under a banking facility amounted to US\$15,000,000 which is guaranteed by Guangzhou Mobvista; (ii) US\$4,122,000 bank loan guaranteed by Guangzhou Mobvista.

As at 31 December 2017, the Group has unsecured bank loans amounted to US\$7,587,000 which was drawn down under a banking facility amounted to US\$22,000,000 guaranteed by Guangzhou Mobvista.

As at 30 June 2018, the Group has unsecured bank loans amounted to US\$17,939,000 which was drawn down under a banking facility amounted to US\$29,528,000 guaranteed by Guangzhou Mobvista. The guarantees provided by Guangzhou Mobvista will be released upon listing.

(b) As at 31 December 2017, US\$32,856,000 of long-term bank loans were collateralized by a pledge of bank deposits of US\$47,243,000, which was recorded as "restricted cash" in the combined statement of financial position.

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 25(b). As at 31 December 2015, 2016 and 2017 and 30 June 2018, none of the covenants relating to drawn down facilities had been breached.

19 Income tax in the combined statements of financial position

(a) *Current taxation in the combined statements of financial position represents:*

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Current tax payable	3,007	7,893	7,263	1,659
Current tax recoverable	—	(5)	(266)	(757)
	<u>3,007</u>	<u>7,888</u>	<u>6,997</u>	<u>902</u>

(b) *Deferred tax assets and liabilities recognised:*(i) *Movement of each component of deferred tax assets and liabilities*

The components of deferred tax assets/(liabilities) recognised in the combined statement of financial position and the movements during the Relevant Periods are as follows:

Deferred tax arising from	Tax loss	Share-based compensation	Provision for impairment	Depreciation and amortisation	Goodwill	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2015	—	—	—	—	—	—
Credited to profit or loss	1,094	481	94	—	—	1,669
Exchange difference	(45)	—	(2)	—	—	(47)
At 31 December 2015	1,049	481	92	—	—	1,622
Credited/(charged) to profit or loss	709	736	1,751	—	(413)	2,783
Exchange difference	(101)	—	(3)	—	—	(104)
At 31 December 2016	1,657	1,217	1,840	—	(413)	4,301
Credited/(charged) to profit or loss	2,171	533	377	96	(208)	2,969
Exchange difference	196	—	1	—	—	197
At 31 December 2017	4,024	1,750	2,218	96	(621)	7,467
(Charged)/credited to profit or loss	(999)	64	(14)	(7)	(169)	(1,125)
Deemed distribution (note 1.2)	(38)	—	(54)	—	—	(92)
Exchange difference	62	—	(64)	—	—	(2)
At 30 June 2018	<u>3,049</u>	<u>1,814</u>	<u>2,086</u>	<u>89</u>	<u>(790)</u>	<u>6,248</u>

(ii) *Reconciliation to the combined statements of financial position*

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Net deferred tax asset recognised in the combined statements of financial position.	1,622	4,714	8,088	7,038
Net deferred tax liability recognised in the combined statements of financial position.	—	(413)	(621)	(790)
	<u>1,622</u>	<u>4,301</u>	<u>7,467</u>	<u>6,248</u>

(c) *Deferred tax assets not recognised:*

In accordance with the accounting policy set out in note 2(n), the Group has not recognized deferred tax assets in respect of cumulative tax losses of US\$264,000, US\$997,000 and US\$395,000 and US\$140,000 as at 31 December 2015, 2016 and 2017 and 30 June 2018, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction. The tax losses do not expire under current tax legislation.

(d) *Deferred tax liabilities not recognised:*

At 31 December 2015, 2016 and 2017 and 30 June 2018, temporary differences relating to the undistributed profits of subsidiaries amounted to nil, US\$2,791,000, US\$7,637,000 and US\$3,850,000. Deferred tax liabilities of nil, US\$140,000, US\$382,000 and US\$193,000 have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

20 **Employee retirement benefits***Defined contribution retirement plans*

The PRC subsidiaries of the Group participate in defined contribution retirement benefit schemes (the “Schemes”) organised by the PRC municipal and provincial government authorities whereby the PRC subsidiaries are required to make contributions at the applicable rate of the eligible employees’ salaries to the Schemes. The Group has accrued for the required contributions which are remitted to the respective local government authorities when the contributions become due. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

The Group also operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of \$30,000. Contributions to the plan vest immediately.

The Group contributes on a monthly basis to various defined contribution plans organised by the relevant government authorities in various areas other than Mainland China and Hong Kong. The Group’s liability in respect of these plans is limited to the contributions payable at the end of each reporting period. Contributions to these plans are expensed as incurred.

The Group has no other material obligation for the payment of pension benefits beyond the contributions described above.

21 Share-based compensation expenses

The Group's ultimate controlling party, Guangzhou Mobvista, operates a share-based compensation scheme (the "Scheme") under which the restricted stock units ("RSUs") of Guangzhou Mobvista will be granted to qualified employees of Guangzhou Mobvista and its subsidiaries. The RSUs granted would vest on specific dates, on condition that employees remain in service without any performance requirements. Once the vesting conditions underlying the respective RSUs are met, the RSUs are considered duly and validly issued to the holder, and free of restrictions on transfer.

During 2014 and 2015, Guangzhou Mobvista had granted RSUs to certain directors and employees of the Group under the Scheme, which vest after one year to four years from the date of grant. Movements in the number of RSUs granted to the Group's directors and employees and the respective weighted-average grant date fair value are as follows:

	Number of RSUs	Weighted average grant date fair value per RSU
		US\$
Outstanding as of 1 January 2015	5,077,832	0.41
Granted during the year	5,217,965	3.37
Outstanding as of 31 December 2015	10,295,797	1.83
Forfeited during the year	(1,029,324)	2.29
Vested during the year	(702,654)	3.16
Outstanding as of 31 December 2016	8,563,819	1.55
Forfeited during the year	(1,600,000)	2.29
Vested during the year	(6,026,947)	1.19
Outstanding as of 31 December 2017 and 30 June 2018	936,872	3.09
<i>(Unaudited)</i>		
Outstanding as of 1 January 2017 and 30 June 2017	8,563,819	1.55

Share-based compensation expense relating to awards granted to employees is based on the grant date fair value of the RSUs and is recognised on a straight-line basis over the entire vesting period. The fair value of each RSU at the grant dates is determined by reference to the fair value of the underlying ordinary shares of Guangzhou Mobvista on the date of grant. The grant date fair value was determined with the assistance of an independent third party valuation firm, and discounted cash flow method was used to determine fair value of the underlying shares. RSUs were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. No dividends has been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the RSUs.

22 Share capital

(a) Share capital of the Group

For the purpose of the Historical Financial Information, as at 1 January 2015 and 31 December 2015, 2016 and 2017, the share capital of the Group represents the aggregate amount of the paid-in capital of Guangzhou Ruisou, Shenzhen Huirui, Beijing Huiju Shanhe and all the entities now comprising the Group at the respective dates, after elimination of investment in subsidiaries.

On 16 April 2018, the Company was incorporated in the Cayman Islands as part of the Group's Reorganisation with an authorised share capital of US\$50,000 divided into 5,000,000 shares of US\$0.01 each and issued one share, credited as fully paid. For the purpose of the Historical Financial Information, as at 30 June 2018, the share capital represented the aggregate amount of share capital of the Company and Worldwide BVI, which was the holding company of the Group before the completion of the Reorganisation.

(b) *Share capital movements of the entities now comprising the Group during the Relevant Periods*

During the year ended 31 December 2015, Guangzhou Mobvista made investment amounted to US\$24,000 to Guangzhou Ruisou, in which US\$17,000 was recorded in the combined capital and the remaining balance of US\$7,000 was recorded in capital reserves of the Group.

During the year ended 31 December 2016, Seamless made investment amounted to US\$37,000 to Adlogic Technology Pte. Ltd. which was recorded in the capital of the Group.

During the year ended 31 December 2017, Guangzhou Mobvista made additional investment to Guangzhou Ruisou, Shenzhen Huirui and Beijing Huiju Shanhe respectively. The total investment amount was US\$29,111,000, in which US\$28,347,000 was recorded in the combined capital and the remaining balance of US\$764,000 was recorded in capital reserves of the Group.

23 **Reserves and dividends**

(a) *Capital reserve*

The capital reserve represents the difference between the increase of registered capital and total capital injection and other reserve arising from Reorganisation.

During the six months ended 30 June 2018, Worldwide BVI issued 60,217,492 shares with par value of US\$1 each to Seamless, as consideration of which, Seamless transferred the entire share capital of Mintegral Limited, Flash Banner Technology Company Limited, Advertter Technology Company Limited, Mintegral International Limited, Westcore Technology Limited, Adlogic Technology Pte. Ltd. and MIT HK to Worldwide BVI. The difference of US\$60,178,000 between the consideration and the share capital of the transferred entities was recorded as a capital reserve.

(b) *Statutory reserve*

As stipulated by regulations in the PRC, the Company's subsidiaries established and operated in the Mainland China are required to appropriate 10% of their after-tax-profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies.

The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(c) *Exchange reserve*

Exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign operations which are dealt with in accordance with the accounting policies as set out in note 2(q).

(d) *Share based payments reserve*

The share-based payments reserve represents the portion of the grant date fair value of RSUs granted to the directors, employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(m)(ii).

(e) *Dividends*

During the year ended 31 December 2016, Guangzhou Ruisou and Shenzhen Huirui declared dividend of US\$5,188,000 and US\$530,000 to their then shareholders respectively.

During the year ended 31 December 2017, Mobvista International Technology Limited declared dividend of US\$150,000 to its then shareholder.

No dividend has been paid by the Company during the Relevant Periods.

(f) *Capital management*

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

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, as at 31 December 2015, 2016 and 2017 and 30 June 2018 was 83%, 85%, 72% and 76%, respectively.

24 **Acquisitions of subsidiaries**

- (a) On 7 March 2016, the Group acquired 100% equity interests in nativeX, LLC, which was engaged in mobile advertising business in the US. Upon completion of the acquisition, nativeX, LLC became a wholly-owned subsidiary of the Group.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	US\$'000
Property, plant and equipment	206
Intangible assets	2,950
Trade and other receivables	5,562
Cash and cash equivalents	250
Trade and other payables	(3,949)
Total identifiable net assets acquired	<u>5,019</u>

Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	US\$'000
Consideration transferred	25,000
Fair value of identifiable net assets	(5,019)
Goodwill.	<u>19,981</u>

The revenue and profit included in the consolidated statements of profit or loss from 7 March 2016 to 31 December 2016 contributed by nativeX, LLC was US\$32,718,000 and US\$784,000 respectively.

Had nativeX, LLC been consolidated from 1 January 2016, the consolidated statements of profit or loss for the year ended 31 December 2016 would show pro-forma revenue of US\$288,605,000 and a profit of US\$19,273,000.

- (b) On 8 August 2016, the Group acquired 90.01% equity interests in Game analytics Aps, which was engaged in provision of SaaS game data analysis services. Upon the acquisition, Game analytics Aps became a subsidiary of the Group.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	US\$'000
Property, plant and equipment.	5
Intangible assets	1,014
Trade and other receivables	376
Cash and cash equivalents	28
Trade and other payables	(460)
Net assets	<u>963</u>

Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	US\$'000
Consideration transferred	9,884
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of Game analytics Aps	96
Fair value of identifiable net assets	(963)
Goodwill.	<u>9,017</u>

The revenue and profit included in the consolidated statements of profit or loss from 8 August 2016 to 31 December 2016 contributed by Game analytics Aps was US\$1,162,000 and US\$406,000 respectively.

Had Game analytics Aps been consolidated from 1 January 2016, the consolidated statements of profit or loss for the year ended 31 December 2016 would show pro-forma revenue of US\$284,063,000 and a profit of US\$15,420,000.

- (c) In September 2017, the Group further acquired 9.99% equity interest of Game analytics Aps from its non-controlling shareholder with a consideration amounted to US\$756,000. Consequently, Game analytics Aps become a wholly-owned subsidiary of the Group.

25 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash and cash equivalents, restricted cash and trade and others receivables. The carrying amount of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in mainland China and reputable financial institution outside of mainland China. There has been no recent history of default in relation to these financial institutions.

The Group does not provide any other guarantees which would expose the Group to credit risk.

The Group's trade and other receivables primarily comprise of amounts receivable from customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 30 June 2018:

	Expected loss rate	Gross carrying amount	Loss allowance
	%	US\$'000	US\$'000
Current (not past due)	0.1%	77,335	(96)
Less than 3 months past due.	0.6%	19,635	(117)
3 to 9 months past due.	3.4%	4,896	(169)
Over 9 months past due	64.5%	19,155	(12,361)
		<u>121,021</u>	<u>(12,743)</u>

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Comparative information under IAS 39

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment (see note 1(h)(i) — policy applicable prior to 1 January 2018). As at 31 December 2015, 2016 and 2017, trade receivables of US\$539,000, US\$11,578,000 and US\$16,292,000 were individually determined to be impaired. The aging analysis of trade debtors that were not considered to be impaired was as follows:

	As at 31 December		
	2015	2016	2017
	US\$'000	US\$'000	US\$'000
Neither past due nor impaired.	33,876	66,594	46,767
Less than 3 months past due.	18,606	16,387	16,715
3 to 9 months past due.	3,397	6,839	2,911
Over 9 months past due	—	3,732	4,406
	22,003	26,958	24,032
	55,879	93,552	70,799

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

The movement in the allowance for doubtful debts during the relevant periods is as follows:

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
At the beginning of the year/period.	—	571	11,612	12,090
Impact on initial application of IFRS 9	—	—	—	329
Adjusted balance at 1 January.	—	571	11,612	12,419
Impairment loss recognised.	571	11,041	1,185	324
Uncollectable amounts written off.	—	—	(707)	—
At the end of the year/period	571	11,612	12,090	12,743

(b) *Liquidity risk*

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the management and directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of Relevant Periods of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	At 31 December 2015				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	Total	Carrying amount	
	US\$'000	US\$'000	US\$'000	US\$'000	
Trade and other payables (excluding receipt in advance)	45,006	—	45,006	45,006	
Bank Loans	<u>5,505</u>	<u>4,619</u>	<u>10,124</u>	<u>9,948</u>	
	<u>50,511</u>	<u>4,619</u>	<u>55,130</u>	<u>54,954</u>	
	At 31 December 2016				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	Total	Carrying amount	
	US\$'000	US\$'000	US\$'000	US\$'000	
Trade and other payables (excluding receipt in advance)	164,324	—	164,324	164,324	
Bank Loans	<u>5,819</u>	<u>—</u>	<u>5,819</u>	<u>5,710</u>	
	<u>170,143</u>	<u>—</u>	<u>170,143</u>	<u>170,034</u>	
	At 31 December 2017				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables (excluding receipt in advance).	179,065	—	—	179,065	179,065
Bank Loans	<u>9,244</u>	<u>1,610</u>	<u>37,682</u>	<u>48,536</u>	<u>40,443</u>
	188,309	1,610	37,682	227,601	219,508

	At as 30 June 2018				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables (excluding receipt in advance).	167,088	—	—	167,088	167,088
Bank Loans	17,939	—	—	17,939	17,939
	185,027	—	—	185,027	185,027

(c) *Interest rate risk*

The Group's interest rate risk arises primarily from variable rates bank loans, which expose the Group to cash flow interest rate risk.

(i) *Interest rate profile*

The following table details the interest rate profile of the Group's bank loans at the end of the reporting period:

Variable rate borrowings

	At 31 December			At 30 June
	2015	2016	2017	2018
Bank loans (US\$'000)	9,948	5,710	40,443	17,939
Effective interest rate	1.21%-4.60%	1.51%-4.64%	2.38%-4.90%	1.80%-4.90%

(ii) *Sensitivity analysis*

As at 31 December 2015, 2016 and 2017 and 30 June 2018, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax for the period by approximately US\$ 83,000, US\$ 47,000 and US\$ 309,000 and US\$161,000 mainly as a result of higher/lower finance costs on bank loans. The impact on the Group's profit after tax is estimated as an annualised impact on interest expense of such a change in interest rates.

(d) *Currency risk*

The Group is exposed to currency risk primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a foreign currency, (i.e. a currency other than the functional currency of the operations to which the transactions relate).

(i) *Exposure to currency risk*

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in US\$, translated using the spot rates at the reporting period end date.

Differences resulting from the translation of the Historical Financial Information of foreign operations into the Group's presentation currency are excluded.

	At 31 December 2015		
	RMB	HKD	Total
	US\$'000	US\$'000	US\$'000
Trade and other receivables	710	346	1,056
Cash and cash equivalents	1,586	314	1,900
Trade and other payables	(5,985)	(221)	(6,206)
Net exposure to currency risk	<u>(3,689)</u>	<u>439</u>	<u>(3,250)</u>

	At 31 December 2016			
	RMB	HKD	South Korean Won ("KRW")	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	11,288	175	—	11,463
Cash and cash equivalents	5,521	831	—	6,352
Trade and other payables	(11,170)	(17)	(1,311)	(12,498)
Net exposure to currency risk	<u>5,639</u>	<u>989</u>	<u>(1,311)</u>	<u>5,317</u>

	At 31 December 2017			
	RMB	HKD	South Korean Won ("KRW")	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	57,018	225	1,055	58,298
Cash and cash equivalents	26,920	101	—	27,021
Trade and other payables	(36,743)	(20)	(7,014)	(43,777)
Net exposure to currency risk	<u>47,195</u>	<u>306</u>	<u>(5,959)</u>	<u>41,542</u>

	At 30 June 2018			
	RMB	HKD	South Korean Won ("KRW")	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	39,865	227	—	40,092
Cash and cash equivalents	15,118	111	—	15,229
Trade and other payables	(32,297)	(2,541)	(15)	(34,853)
Net exposure to currency risk	<u>22,686</u>	<u>(2,203)</u>	<u>(15)</u>	<u>20,468</u>

(ii) *Sensitivity analysis*

A 5% strengthening of US\$ against the following currencies at the reporting date would increase/(decrease) profit after tax by the amounts shown below. This analysis assumes that all other variables, including interest rates, remain constant.

	As at 31 December			As at 30 June
	2015	2016	2017	2018
RMB	138	(211)	(1,770)	(851)
HKD	(18)	(41)	(13)	92
KRW	—	55	247	1

A 5% weakening of US\$ against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(e) *Fair value*(i) *Financial assets measured at fair value*

Fair value hierarchy

The following table presents the fair value of the group's financial instruments measured at the reporting date on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

The following table presents the Group's financial assets and liabilities that are measured at fair value at the reporting dates:

31 December 2016

	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Assets				
Available-for-sale financial assets	—	—	608	608

30 June 2018

	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Assets				
Financial assets at FVPL	—	—	1,000	1,000

During the Relevant Periods, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Information about Level 3 fair value measurements

	Valuation techniques	Significant Unobservable inputs	Range	Weighted average
As at 31 December 2016				
Available-for-sale financial assets — unlisted equity instrument	Market comparable companies	Discount for lack of marketability	30%-35%	32.5%
As at 30 June 2018				
Financial assets at FVPL — convertible loan . .	Binomial lattice model	Expected volatility	50%-65%	57.5%

The fair value of unlisted equity instruments is determined using the price/earning ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2016, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 10% would have increased/decreased the group's other comprehensive income by US\$90,000.

The fair value of convertible loan is determined using the binomial lattice model and the significant unobservable input used in the fair value measurement is the expected volatility. The fair value measurement is positively correlated to the expected volatility. As at 30 June 2018, it is estimated that with all other variables held constant, an increase/decrease in the expected volatility by 10% would have increased/decreased the group's profit by US\$30,000.

(ii) Fair value of financial assets and liabilities carried at other than fair value

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2015, 2016 and 2017 and 30 June 2018 because of the short-term maturities of all these financial instruments.

26 Commitments

As at 31 December 2015, 2016 and 2017 and 30 June 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 year	736	1,725	2,341	1,597
After 1 year but within 5 years	2,781	2,343	1,888	2,322
	<u>3,517</u>	<u>4,068</u>	<u>4,229</u>	<u>3,919</u>

The Group leases a number of office premises under operating leases. The leases typically run for an initial period for 3 to 5 years, at the end of which all terms are renegotiated.

27 Material related party transactions

In addition to the related party information disclosed elsewhere in the Historical Financial Information, the Group entered into the following material related party transactions.

During the Relevant Periods, the directors are of the view that the following are related parties of the Group:

Name of party	Relationships
Seamless	Controlling shareholder
Guangzhou Mobvista	Ultimate controlling party
Guangzhou Jianda Network Technology Company Limited	Entity controlled by ultimate controlling party
Zhuhai Huiliang Investment Holding Company Limited	Entity controlled by ultimate controlling party
Guangzhou Gamo Information Technology Limited ("Guangzhou Gamo")	An entity in which Mr. Duan Wei has significant influence
Mobvista Network Co., Limited	An entity in which Mr. Duan Wei has significant influence

(a) Transactions with related parties

	Year ended 31 December			Six months ended 30 June 2018	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000 (unaudited)	US\$'000
Receiving management and rental services from					
- Guangzhou Mobvista	—	1,700	3,033	1,309	236
- Guangzhou Gamo	650	—	—	—	—
Receiving Research and Development services from					
- Beijing Huiju Shanhe	—	—	—	—	470
Purchase of fixed assets from					
- Guangzhou Gamo	125	—	—	—	—
Purchase of royalties from					
- Guangzhou Gamo	49	—	—	—	—
- Mobvista Network Co., Limited	592	—	—	—	—
Receiving loans interest from					
- Guangzhou Mobvista	—	—	—	—	709

(b) *Balances with related parties*

As at 31 December 2015, 2016 and 2017 and 30 June 2018, the Group had the following balances with related parties:

(i) *Due from related parties*

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Trade-related				
Other receivables				
- Guangzhou Ruisou	—	—	—	9,688
- Shenzhen Huirui	—	—	—	948
Non-trade receivables from related parties				
- Seamless	—	—	1,945	—
- Guangzhou Mobvista	—	166	30,812	36,780
- Guangzhou Jianda Network Technology Company Limited	151	243	—	—
- Zhuhai Huiliang Investment Holding Company Limited	—	2,884	3,139	3,250
- Guangzhou Ruisou	—	—	—	4,091
- Beijing Huiju Shanhe	—	—	—	2,028
- Shenzhen Huirui	—	—	—	—
	<u>151</u>	<u>3,293</u>	<u>35,896</u>	<u>56,785</u>

(ii) *Due to related parties*

	As at 31 December			As at 30 June
	2015	2016	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000
Trade-related				
Other payables				
- Guangzhou Ruisou	—	—	—	11,143
- Beijing Huiju Shanhe	—	—	—	13,871
Non-trade-related				
Other payables				
- Seamless	9,999	78,639	70,528	35,336
- Guangzhou Mobvista	4,374	6,769	25,455	—
- Guangzhou Jianda Network Technology Company Limited	—	—	6,858	625
- Zhuhai Huiliang Investment Holding Company Limited	—	—	123	—
- Guangzhou Ruisou	—	—	—	7,872
- Shenzhen Huirui	—	—	—	246
	<u>14,373</u>	<u>85,408</u>	<u>102,964</u>	<u>69,093</u>

As at the Latest Practicable Date, all amounts due from and due to related parties have been fully settled.

(c) *Key management personnel compensation*

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	As at 31 December			Six months ended 30 June	
	2015	2016	2017	2017	2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Short-term employee benefits	183	361	826	333	380
Share-based compensation expenses	2,257	4,459	3,230	2,347	391
Contributions to retirement benefit scheme	12	23	29	18	17
	<u>2,452</u>	<u>4,843</u>	<u>4,085</u>	<u>2,698</u>	<u>788</u>

Total remuneration is included in "staff costs" (See note 6(b)).

28 **Immediate and ultimate controlling party**

As at the date of this report, the directors consider the immediate controlling party of the Company to be Seamless, which is incorporated in BVI, and the ultimate controlling party of the Company to be Guangzhou Mobvista.

29 **Possible impact of amendments, new standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2018**

Up to date of issue of the Historical Financial Information, the IASB has issued a number of amendments and new standards which are not yet effective for the accounting period beginning on 1 January 2018 and which have not been adopted in the Historical Financial Information. Set out below is a full list of these standards:

	Effective for accounting periods beginning on or after
IFRS 16, <i>Leases</i>	1 January 2019
Amendments to IAS19, <i>Plan amendment, curtailment or settlement</i>	1 January 2019
International Financial Reporting Interpretations Committee Interpretations ("IFRIC 23"), <i>Uncertainty over income tax treatments</i>	1 January 2019
Amendments to IAS 28, <i>Long term interests in associates and joint ventures</i>	1 January 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to IFRS 9, <i>Prepayment features with negative compensation</i> . .	1 January 2019
IFRS 17, <i>Insurance contracts</i>	1 January 2021
Amendments to IFRS 10 and IAS 28 — <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of IFRS 16 which may have a significant impact on the Historical Financial Information. Further details of the expected impacts are discussed below. As the Group has not completed

its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether the Group should adopt any of these new requirements before their effective dates and which transitional approach to take, where there are alternative approaches allowed under the new standards.

IFRS 16, Leases

As disclosed in note 2(g), currently the Group classifies leases into operating leases and accounts for the lease arrangements accordingly.

IFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once IFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognize and measure a lease liability at the present value of the minimum future lease payments and will recognize a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognize interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognizing rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognized on a systematic basis over the lease term.

IFRS 16 will primarily affect the Group's accounting as a lessee of leases for office premises which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statements of profit or loss over the period of the lease. As disclosed in note 26, at 31 December 2015, 2016 and 2017 and 30 June 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to US\$3,517,000, US\$4,068,000 and US\$4,229,000 and US\$3,919,000 for office premises respectively, part of which is payable between 1 and 5 years after the reporting date. Some of these amounts may therefore need to be recognized as lease liabilities, with corresponding right-of-use assets, once IFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of IFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of IFRS 16 and the effects of discounting. Based on the preliminary assessment, the adoption of IFRS 16 is not expected to have a material impact on its net assets in Historical Financial Information.

The Group will not consider the early adoption of IFRS 16 before its effective date of January 1, 2019.

30 Subsequent events

- (a) On 8 August 2018, the companies now comprising the Group underwent and completed the Reorganisation. Further details of the Reorganisation are set out in the section headed “History and Corporate Structure” to the Prospectus. As a result of the Reorganisation, the Company become the holding company of the Group.
- (b) On 27 September 2018, the Board of Directors approved and adopted a restricted share unit scheme with principal terms detailed in the section headed “E SHARE INCENTIVE SCHEMES — RSU Scheme” in Appendix IV. As at the date of this Prospectus, restricted share units in respect of 60,604,700 underlying shares (after taking into consideration of the adjustment pursuant to the Capitalization Issue) were granted to certain directors, management and employees.

- (c) A share option scheme with principal terms detailed in the section headed “E SHARE INCENTIVE SCHEMES — Share Option Scheme” in Appendix IV was conditionally adopted by the shareholders of the Company on 30 October 2018.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries comprising the Group in respect of any period subsequent to 30 June 2018.

The following information does not form part of the Accountants' Report from KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for illustrative purposes only. The pro forma financial information should be read in conjunction with the "Financial Information" section in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted combined net tangible assets has been prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the HKICPA, and is set out here to illustrate the effect of the Global Offering on our combined net tangible assets attributable to equity shareholders of the Company as of 30 June 2018 as if it had taken place on 30 June 2018.

The unaudited pro forma statement of adjusted combined net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of 30 June 2018 or any future date.

	Combined net tangible assets attributable to equity shareholder of the Company as of 30 June 2018	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted combined net tangible assets attributable to equity shareholders of the Company	Unaudited pro forma adjusted combined net tangible assets attributable to equity shareholders of the Company per Share	
	US\$000 (note 1)	US\$000 (note 2, 4)	US\$000 (note 3, 5)	US\$ (note 3)	HK\$ (note 4)
Based on an Offer Price of HK\$5.10 per Share	27,263	197,453	224,716	0.15	1.17
Based on an Offer Price of HK\$3.90 per Share	27,263	150,058	177,321	0.12	0.94

Notes:

- (1) The combined net tangible assets attributable to the equity shareholders of our Company as of 30 June 2018 is calculated based on the combined net assets attributable to the equity shareholders of our Company of US\$60,860,000 as of 30 June 2018 less the intangible assets of US\$4,599,000 and goodwill of US\$28,998,000 as of the date, extracted from the Accountants' Report set out in Appendix I to this Prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Prices of HK\$3.90 and HK\$5.1 per Share, respectively, being the lower end price and higher end price of the stated Offer Price range, after deduction of the underwriting fees and other related expenses payable by our Company (excluding listing expenses of approximately USD1,887,000 that were charged to profit or loss during the Relevant Periods), and 318,867,000 Shares expected to be issued in the Global Offering and does not take account of any Shares which may be issued upon the exercise of the Over-allotment Option, the RSU Schemes and the Share Option Scheme.
- (3) The unaudited pro forma adjusted combined net tangible assets attributable to the equity shareholders of our Company and the amounts per Share are arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 1,518,867,000 Shares are expected to be in issue immediately after the Capitalisation Issue and the Global Offering but taking no account of any shares which may be issued upon the exercise of the Over-allotment Option, the RSU Schemes and the Share Option Scheme.
- (4) The estimated net proceeds from the Global Offering are converted into Hong Kong dollars at a rate of US\$1=HK\$7.8306. No representation is made that the Hong Kong dollars amounts have been, could have been or may be converted into United States dollars, or vice versa at that rate.
- (5) No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to 30 June 2018.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF MOBVISTA INC.**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Mobvista Inc. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at 30 June 2018 and related notes as set out in Part A of Appendix II to the prospectus dated 30 November 2018 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at 30 June 2018 as if the Global Offering had taken place at 30 June 2018. As part of this process, information about the Group's financial position as at 30 June 2018 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 30 June 2018 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group, and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG

Certified Public Accountants

Hong Kong

30 November 2018

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN COMPANIES LAW

SUMMARY OF THE CONSTITUTION OF THE COMPANY

1 MEMORANDUM OF ASSOCIATION

The Memorandum of Association of the Company was conditionally adopted on October 30, 2018 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in the section headed “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix V to this prospectus.

2 ARTICLES OF ASSOCIATION

The Articles of Association of the Company were conditionally adopted on October 30, 2018 and include provisions to the following effect:

2.1 Classes of Shares

The share capital of the Company consists of ordinary shares. The authorized share capital of the Company at the date of adoption of the Articles is US\$100,000,000 divided into 10,000,000,000 shares of US\$0.01 each.

2.2 Directors

(a) *Power to allot and issue Shares*

Subject to the provisions of the Companies Law and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Companies Law and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

(b) *Power to dispose of the assets of the Company or any subsidiary*

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Companies Law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Law and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) *Compensation or payment for loss of office*

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(d) *Loans to Directors*

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) *Financial assistance to purchase Shares*

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) *Disclosure of interest in contracts with the Company or any of its subsidiaries*

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or
 - (B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) ***Remuneration***

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(h) ***Retirement, appointment and removal***

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). The Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;
- (vi) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) ***Borrowing powers***

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(j) ***Proceedings of the Board***

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after

deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Law; and
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Law.

2.6 Special resolution — majority required

A "special resolution" is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an "ordinary resolution" is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings

The Company shall hold a general meeting as its annual general meeting each year, within a period of not more than 15 months after the holding of the last preceding annual general meeting (or such longer period as the Stock Exchange may authorise). The annual general meeting shall be specified as such in the notices calling it.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Law.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Law or any other relevant law or regulation or as authorised by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those

documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.10 Notice of meetings and business to be conducted thereat

The Directors may, whenever they think fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office, specifying the objects of the meeting and signed by the requisitionists. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Directors do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to them by the Company.

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and

- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

2.11 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favour of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.12 Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

2.13 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.14 Dividends and other methods of distribution

Subject to the Companies Law and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment

of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.15 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall

be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.16 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.17 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

2.18 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.19 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.20 Procedure on liquidation

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Law, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Law, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.21 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Law is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Law and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on April 16, 2018 under the Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

3 Share Capital

The Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the “share premium account.” At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law);
- (d) writing-off the preliminary expenses of the company;
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company’s shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm’s-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN COMPANIES LAW

Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 **Shareholders' Suits**

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 **Protection of Minorities**

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 **Disposal of Assets**

The Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 **Accounting and Auditing Requirements**

The Companies Law requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 Special Resolutions

The Companies Law provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 Taxation

Pursuant to section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of the Company; or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2018 Revision).

The undertaking is for a period of twenty years.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation**

Our Company was incorporated under the laws of the Cayman Islands on April 16, 2018 as an exempted limited liability company. Our Company's registered office address is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. A summary of various parts of the Memorandum and Articles of Association is set out in Appendix III to this prospectus.

Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance. Our registered place of business in Hong Kong is at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong. Ms. SO Shuk Yi Betty has been appointed as our authorized representative for the acceptance of service of process in Hong Kong. The address for service of process is 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong.

Our Company's head office is located at 43/F-44/F, Tianying Plaza (East Tower), No. 222-3 Xingmin Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC.

2. Changes in share capital of our Company

As of the date of incorporation of our Company, our Company had an authorized share capital of US\$50,000 divided into 5,000,000 Shares with a par value of US\$0.01 each.

- On April 16, 2018, our Company issued one Share with a par value of US\$0.01 to the initial subscriber and such Share was transferred at par to Seamless on the same day.
- On August 8, 2018, our Company issued 1,000,000 Shares with a par value of US\$0.01 each to Seamless.
- On October 12, 2018, our Company issued 63,830 Shares with a par value of US\$0.01 each to Mobile Value Discovery Inc.
- On October 30, 2018, the authorized share capital of our Company was increased from US\$50,000 to US\$100,000,000 by the creation of additional 9,995,000,000 Shares with a nominal value of US\$0.01 each.

Assuming that the Global Offering becomes unconditional, immediately following the completion of the Capitalization Issue and the Global Offering but without taking into account any Shares which may be issued pursuant to the Over-allotment Option, the RSU Schemes and the Share Option Scheme, the authorized share capital of our Company will be US\$100,000,000.00 divided into 10,000,000,000 Shares, of which 1,518,867,000 Shares will be issued fully paid or credited as fully paid, and 8,481,133,000 Shares will remain unissued.

Save as disclosed herein and in the section headed “— 6. Resolutions of our Shareholders dated October 30, 2018” in this section below, there has been no alteration in the share capital of our Company since its incorporation.

3. Changes in share capital of our subsidiaries

The following alterations in the share capital or registered capital (as the case may be) of our subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

(a) Mobvista-Japan Co., Ltd.

On September 22, 2017, Mobvista-Japan Co., Ltd. was incorporated under the laws of Japan with an authorized share capital 1,000,000 Japanese yens.

(b) *Mintegral North America Inc.*

On October 19, 2017, Mintegral North America Inc. (formerly known as NX Ads Inc.) was incorporated under the laws of the State of California with an authorized share capital of US\$1.

(c) *NX Info LLC*

On October 19, 2017, NX Info LLC was incorporated under the laws of the State of California with an initial capital of US\$100.

(d) *Mobvista (India) Limited Partnership*

On October 10, 2017, Mobvista (India) Limited Partnership was incorporated under the laws of India with an initial capital of INR600,000.

(e) *Mobworld Technology*

On February 6, 2018, Mobworld Technology was established under the PRC laws with a registered share capital of RMB5,000,000.

(f) *Worldwide BVI*

On April 13, 2018, Worldwide BVI was incorporated under the laws of the BVI and it was authorized to issue a maximum of 50,000 shares.

4. **Reorganization**

For details of the Reorganization which was effected in preparation for the Listing, see “History and Corporate Structure” in this prospectus.

5. **Summary of the material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or our subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) the share sale and purchase agreement dated September 18, 2017 and entered into between Dr Zelig ApS and Eurocore B.V., pursuant to which Dr Zelig ApS agreed to transfer certain shares, nominally representing 7,399 Danish kroner of the class A share capital of Game Analytics ApS, to Eurocore B.V. for a consideration of US\$755,000;
- (b) the instrument of transfer dated May 23, 2018 and entered into between Seamless and Worldwide BVI, pursuant to which Seamless transferred 100 ordinary shares of Advertter Technology Company Limited 艾德维特技术有限公司 to Worldwide BVI for a consideration of US\$17,459,912;
- (c) the instrument of transfer dated May 23, 2018 and entered into between Seamless and Worldwide BVI, pursuant to which Seamless transferred 100 ordinary shares of Flash Banner Technology Company Limited 富拉百乐技术有限公司 to Worldwide BVI for a consideration of US\$3,170,080;
- (d) the instrument of transfer and bought and sold notes dated May 23, 2018 and entered into between Seamless and Worldwide BVI, pursuant to which Seamless transferred 10,000 ordinary shares of Mintegral International Limited 聚移國際有限公司 to Worldwide BVI for a consideration of US\$100;
- (e) the instrument of transfer dated May 23, 2018 and entered into between Seamless and Worldwide BVI, pursuant to which Seamless transferred 100 ordinary shares of Mintergral Limited 聚移有限公司 to Worldwide BVI for a consideration of US\$3,028,433;

- (f) the share transfer form dated June 12, 2018 and entered into between Seamless and Worldwide BVI, pursuant to which Seamless transferred 50,000 ordinary shares of Adlogic Technology Pte. Ltd. to Worldwide BVI for a consideration of 3,936,553.57 Singapore dollars (US\$2,973,676.97);
- (g) the instrument of transfer and bought and sold notes dated June 6, 2018 and the supplementary agreement dated August 8, 2018, entered into between Seamless and Worldwide BVI, pursuant to which Seamless transferred 10,000 ordinary shares of MIT HK to Worldwide BVI for a consideration of US\$33,585,190;
- (h) the instrument of transfer dated August 8, 2018 and entered into between Seamless and our Company, pursuant to which Seamless transferred 60,217,493 ordinary shares of Worldwide BVI to our Company for a consideration of US\$60,217,493;
- (i) the Deed of Non-Competition;
- (j) the trust deed named The Mobvista Employee Restricted Share Unit Scheme dated September 28, 2018 and amended on November 20, 2018, entered into among the Company, the Employee RSU Trustee and Mobile Value Discovery Inc., pursuant to which, among other things, Mobile Value Discovery Inc. agreed to hold Shares underlying the RSUs in accordance with this trust deed and the Employee RSU Trustee agreed and accepted its position as the trustee of the Employee RSU Scheme;
- (k) the trust deed named The Mobvista Senior Management Restricted Share Unit Scheme dated November 20, 2018 and entered into among the Company, the Management RSU Trustee and Connected Globe Holdings Limited, pursuant to which, among other things, Connected Globe Holdings Limited agreed to hold Shares underlying the RSUs in accordance with this trust deed and the Management RSU Trustee agreed and accepted its position as the trustee of the Management RSU Scheme; and
- (l) the Hong Kong Underwriting Agreement.

6. Resolutions of our Shareholders dated October 30, 2018

Written resolutions of our Shareholders were passed on October 30, 2018, pursuant to which, among others:

- (a) the authorized share capital of our Company was approved to be increased to US\$100,000,000 divided into 10,000,000,000 Shares with a nominal value of US\$0.01 each;
- (b) conditional on (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued as to be stated in this prospectus and such listing and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the Stock Exchange; (ii) the Offer Price having been determined; (iii) the International Purchase Agreement having been duly excuted and delivered on or around the Price Determination Date; and (iv) the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional and not being terminated in accordance with the terms of the respective agreements, in each case on or before such dates and times specified in the respective Underwriting Agreements:
 - (1) our Company approved and adopted the Memorandum and Articles of Association with effect from the Listing.
 - (2) conditional on the share premium account of our Company being credited by an amount of US\$11,989,361.69 as a result of the issue of the Offer Shares pursuant to the Global Offering, our Company will, allot and issue a total of 1,198,936,169 Shares credited as fully paid at par to the holders of Shares whose names appear on the register of members of our Company at the close of business on the business day preceding the Listing Date in proportion to their then existing shareholdings in our Company by capitalizing the sum of US\$11,989,361.69 from the share premium account of our Company. The Shares allotted and issued pursuant to the above capitalization issue will rank *pari passu* in all respects with the existing issued Shares.

- (3) the Global Offering (including the Over-allotment Option) was approved, and the Directors were authorized and directed to allot and issue, and to approve the transfer of the Offer Shares;
 - (4) a general and unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which might require Shares to be allotted and issued or dealt with subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, otherwise than by way of the Global Offering, rights issue or pursuant to the exercise of any subscription rights attaching to any warrants which may be allotted and issued by the Company from time to time or allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or a specific authority granted by our Shareholders in general meeting, shall not exceed 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (excluding any Shares which may be issued under the Over-allotment Option, the RSU Schemes and the Share Option Scheme);
 - (5) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase its own Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (excluding any Shares which may be issued under the Over-allotment Option, the RSU Scheme and the Share Option Scheme);
 - (6) the general unconditional mandate as mentioned in paragraph (4) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (5) above (up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (excluding any Shares which may be issued under the Over-allotment Option, the RSU Schemes and the Share Option Scheme)); and
- (c) the rules of the Share Option Scheme, the principal terms of which are set forth in “— E. Share Incentive Schemes — 2. Share Option Scheme” in this Appendix, were approved and adopted conditional on (i) the listing committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme and (ii) the commencement of the dealings in the Shares on the Stock Exchange, and our Directors or the remuneration committee of the Board or any Directors or sub-committee of Directors so established by the remuneration committee were authorized to grant options to subscribe for Shares thereunder and to allot, issue, and deal with Shares pursuant to the exercise of options that may be granted under the Share Option Scheme and to take all such actions as may be necessary and/or desirable to implement and give effect to the Share Option Scheme.

Each of the general mandates referred to in paragraphs (b)(4), (b)(5) and (b)(6) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company;
- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Memorandum and the Articles of Association; or
- the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

B PURCHASE BY THE COMPANY OF ITS OWN SECURITIES

This section includes information required by the Stock Exchange to be included in this prospectus concerning the purchase by us of our own securities.

1. Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on the Stock Exchange to purchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(a) *Shareholders' approval*

The Listing Rules provide that all purchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval in relation to specific transactions.

(b) *Source of funds*

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under Cayman Islands law, any repurchase by the Company may be made out of profits of the Company, out of the Company's share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Companies Law, out of capital. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of either or both of the profits or the share premium account of the Company or, if authorized by the Articles of Association and subject to the Companies Law, out of capital.

(c) *Status of repurchased shares*

The listing of all purchased securities (whether on the Stock Exchange or, otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under Cayman Islands law, unless prior to the purchase, the Directors of the Company resolve to hold the Shares purchased by the Company as treasury shares, Shares purchased by the Company will be treated as cancelled and the amount of the Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of Shares shall not be taken as reducing the amount of the Company's authorized share capital under Cayman Islands law.

(d) *Core connected persons*

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their respective close associates (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

2. Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.






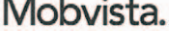

3. General

- (a) None of our Directors, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any Shares to our Company.
- (b) Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of Hong Kong.
- (c) If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.
- (d) No core connected person (as defined in the Listing Rules) has notified our Company that he/she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

C INTELLECTUAL PROPERTY RIGHTS OF OUR GROUP

1. Trademarks

As of the Latest Practicable Date, the Group had registered the following trademarks which we believe are material to our business:

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date (dd/mm/yyyy)
1		PRC	MIT HK	35	16498381	13/09/2026
2		PRC	MIT HK	38	16498404	13/10/2026
3		PRC	MIT HK	9	16498361	13/10/2026
4		PRC	MIT HK	42	16498915	20/10/2026
5		PRC	MIT HK	41	21315339	13/11/2027
6		PRC	MIT HK	9	22529421	13/02/2028
7		PRC	MIT HK	16	22518364	13/02/2028












APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date (dd/mm/yyyy)
8	Mobvista.	PRC	MIT HK	38	22518684	13/02/2028
9	Mobvista.	PRC	MIT HK	42	22529485	13/02/2028
10	Mobvista.	PRC	MIT HK	35	22518626A	06/03/2028
11	Mintegral	PRC	MIT HK	35	21489457	27/11/2027
12	Mintegral	PRC	MIT HK	41	21489781	20/11/2027
13	Mobvista	Hong Kong	MIT HK	9, 35, 38, 42	303301172	10/02/2025
14	Mobvista	U.S.	MIT HK	42	5,032,610	29/08/2026
15	Mobvista	U.S.	MIT HK	38	5,027,901	22/08/2026
16	Mobvista	U.S.	MIT HK	35	4,902,812	15/02/2026
17	Mobvista	U.S.	MIT HK	9	5,027,900	22/08/2026
18	Mobvista.	Singapore	MIT HK	09, 35, 38, 41, 42	40201522809S	22/12/2025
19	Mobvista.	Japan	MIT HK	35	5967745	27/07/2027
20	Mobvista.	Japan	MIT HK	38	5967746	27/07/2027
21	Mobvista.	Japan	MIT HK	9	5978367	07/09/2027
22	Mobvista.	Japan	MIT HK	16	5978368	07/09/2027
23	Mobvista.	Japan	MIT HK	41	5986355	05/10/2027
24	Mobvista.	Japan	MIT HK	42	5986356	05/10/2027
25	Mobvista.	India	MIT HK	9, 35, 38, 41, 42	3176596	03/02/2026
26	Mobvista.	Taiwan	MIT HK	9	01800352	31/10/2026
27	Mobvista.	Taiwan	MIT HK	35	01801757	31/10/2026
28	Mobvista.	Taiwan	MIT HK	38	01801836	31/10/2026

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date (dd/mm/yyyy)
29		Taiwan	MIT HK	41	01801964	31/10/2026
30		Taiwan	MIT HK	42	01802011	31/10/2026
31		Korea	MIT HK	9	40-1278837	21/08/2027
32		Korea	MIT HK	16	40-1278839	21/08/2027
33		Korea	MIT HK	35	40-1292953	12/10/2027
34		Korea	MIT HK	38	40-1320772	10/01/2028
35		Korea	MIT HK	41	40-1278842	21/08/2027
36		Korea	MIT HK	42	40-1278843	21/08/2027
37		European Union	MIT HK	9, 35, 38, 41, 42	15813058	07/09/2026
38		European Union	MIT HK	9, 35, 38, 41, 42	15844327	20/09/2026
39		United States	nativeX, LLC	35	4,499,326	17/03/2024

2. Copyright

As of the Latest Practicable Date, we had registered the following copyrights in the PRC which are material in relation to our Group's business:

No.	Copyright	Place of Registration	Licensee	Registration Number	Date of Registration (dd/mm/yyyy)
1	Mobvista Automated Test Platform V1.0 (中文名: Mobvista自動化測試平台V1.0)	PRC	Mobvista Technology	2016SR131038	03/06/2016
2	Cloud Computing Platform Based on Big Data V1.0 (中文名: 基於大數據的雲計算平台V1.0)	PRC	Mobvista Technology	2016SR134122	06/06/2016
3	3S Server Automatic Interface Analysis and Document Maintenance Utility Software (中文名: 3S server自動接口分析文檔維護工具軟件V1.0.0)	PRC	Mobvista Technology	2016SR140660	14/06/2016

No.	Copyright	Place of Registration	Licensee	Registration Number	Date of Registration (dd/mm/yyyy)
4	Automatic Order Monitoring Utility Software for Android (中文名: 安卓自動測單工具軟件V1.0)	PRC	Mobvista Technology	2016SR140639	14/06/2016
5	Mobvista Online Advertising Smart Recommendation System v1.0 (中文名: Mobvista 在線廣告智能推薦系統v1.0)	PRC	Mobvista Technology	2017SR180119	15/05/2017
6	Smart Ad Serving System V3.4.1 (中文名: Smart ad serving系統V3.4.1)	PRC	Mobvista Technology	2017SR180864	16/05/2017
7	Big Data Business Intelligence Analysis Platform V1.0 (中文名: 大數據商務智能分析平台V1.0)	PRC	Mobvista Technology	2017SR181209	16/05/2017
8	Smart CAP Distribution System 1.0.0 (中文名: 智能CAP分配系統1.0.0)	PRC	Mobvista Technology	2017SR181203	16/05/2017
9	AWS Cloud Operation and Maintenance Platform V1.0 (中文名: AWS雲運維平台V1.0)	PRC	Mobvista Technology	2018SR388263	28/05/2018
10	Mintegral SDK Function Demonstration and Public Test System V1.0 (中文名: Mintegral SDK功能演示與眾測系統V1.0)	PRC	Mobvista Technology	2018SR388275	28/05/2018
11	Self Service Smart Delivery Platform V1.0 (中文名: Self Service智能投放平台V1.0)	PRC	Mobvista Technology	2018SR388212	28/05/2018
12	Large-scale Streaming Computing Platform V1.0 (中文名: 大規模流式計算平台V1.0)	PRC	Mobvista Technology	2018SR388221	28/05/2018
13	Multi-Level, Multi-Faceted Interactive Smart Delivery System V1.0 (中文名: 多層次千人千面的交互式智能投放系統V1.0)	PRC	Mobvista Technology	2018SR388189	28/05/2018
14	Multi-Dimensional Smart Anti-Cheat System V1.0 (中文名: 多維度智能反作弊系統V1.0)	PRC	Mobvista Technology	2018SR388547	28/05/2018
15	Smart Advertising Traffic Distribution System V1.0 (中文名: 智能廣告流量分配系統V1.0)	PRC	Mobvista Technology	2018SR388229	28/05/2018

3. Domain names

As of the Latest Practicable Date, the Group had registered and maintained the following domain names which we believe are material to our business:

No.	Domain Name	Registered Owner	Date of Registration (dd/mm/yyyy)	Date of Expiration (dd/mm/yyyy)
1.	videomedia.win	MIT HK	12/01/2017	11/01/2019
2.	whatsappbgr.com	MIT HK	11/05/2015	11/05/2020
3.	mmonetization.com	MIT HK	23/04/2015	23/04/2020
4.	mintegral.net	MIT HK	08/09/2016	08/09/2019
5.	mobvista.hk	MIT HK	09/10/2015	09/10/2021
6.	mobvista.ca	MIT HK	12/10/2015	12/10/2019
7.	mobvista.es	MIT HK	12/10/2015	12/10/2019
8.	mobvista.com.hk	MIT HK	13/10/2015	13/10/2021
9.	mobvista.sg	MIT HK	13/10/2015	13/10/2019
10.	mobvista.asia	MIT HK	14/10/2015	14/10/2019
11.	mobvista.com	Mobvista Technology	24/10/2012	24/10/2021
12.	mobvista.de	MIT HK	06/07/2016	06/07/2019
13.	mobvista.it	MIT HK	12/10/2015	13/10/2019
14.	mobvista.net.in	MIT HK	11/10/2015	11/10/2020
15.	mobvista.org	MIT HK	11/10/2015	11/10/2020
16.	mobvista.tw	MIT HK	11/10/2015	11/10/2021
17.	mobvista.com.tw	MIT HK	03/08/2016	03/08/2020
18.	dimefreak.com	MIT HK	03/02/2016	03/02/2021
19.	freegameanalytics.com	Game Analytics ApS	05/10/2016	05/10/2019
20.	gameanalytics.com	Game Analytics ApS	01/07/2008	02/07/2019
21.	mvtracer.com	Mobvista Technology	31/08/2015	31/08/2020
22.	rayjump.com	Mobvista Technology	06/09/2013	06/09/2019
23.	lenzmx.com	Mobvista Technology	24/09/2013	24/09/2020
24.	whatsapplp.com	MIT HK	01/04/2015	01/04/2019
25.	dspunion.com	Mobvista Technology	31/07/2017	31/07/2020
26.	mobvista.us	MIT HK	12/10/2015	11/10/2019
27.	appbackgroud.com	MIT HK	08/06/2015	08/06/2020
28.	lpwhatsapp.com	MIT HK	01/04/2015	01/04/2020

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our Group's business.

D FURTHER INFORMATION ABOUT THE DIRECTORS, MANAGEMENT, STAFF, SUBSTANTIAL SHAREHOLDER AND EXPERTS

1. Particulars of Directors' service contracts and letters of appointment

(a) *Executive Directors*

Each of our executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the Listing Date or until the third annual general meeting of our Company since the Listing Date (whichever is sooner). Either party has the right to give not less than one months' written notice to terminate the agreement. Details of the Company's remuneration policy is described in section headed "Directors and Senior Management — Directors' and Senior Management's Remuneration" in this prospectus.

(b) *Independent non-executive Directors*

Each of our independent non-executive Directors has entered into an appointment letter with our Company. The term of office of our independent non-executive Directors is three years or until the third annual general meeting of our Company since the Listing Date (whichever is sooner).

2. Remuneration of Directors

- (a) Remuneration and benefits in kind of approximately US\$2.2 million, US\$4.4 million, US\$3.5 million and US\$0.6 million in aggregate were paid and granted by our Group to our Directors in respect of the years ended December 31, 2015, 2016 and 2017 and the six months ended June 30, 2018, respectively.
- (b) Under the arrangements currently in force, our Directors will be entitled to receive remuneration and benefits in kind which, for the year ending December 31, 2018, is expected to be approximately US\$1.4 million in aggregate (excluding discretionary bonus).
- (c) Save as disclosed in this prospectus, none of our Directors has or is proposed to have a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Disclosure of interests

(a) *Interests of the Directors and chief executives of our Company*

Immediately following completion of the Capitalization Issue and the Global Offering, taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, the RSU Schemes and the Share Option Scheme, the interests or short positions of our Directors and our chief executives in the shares, underlying Shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be

required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

(i) *Interest in the Shares*

Name of Director	Nature of interest	Number of Shares held after the Capitalization Issue and the Global Offering	Approximate percentage of interest in our Company immediately after the Capitalization Issue and the Global Offering ⁽¹⁾
Mr. Duan Wei ⁽¹⁾	Interest in controlled corporation	1,127,999,842	74.3%

Note:

- (1) Guangzhou Mobvista, through its wholly-owned subsidiary Seamless, holds 1,127,999,842 Share of our Company, representing 74.3% of total number of Shares in issue immediately following the Capitalization Issue and the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the RSU Schemes and the Share Option Scheme. Mr. Duan, Guangzhou Huimao, and Horgos Duanshi Pearl River Equity Investment Co., Ltd.* (霍爾果斯段氏珠江股權投資有限公司) directly holds 12.94%, 17.97% and 4.20% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao is Guangzhou Huisui, which is owned by Mr. Duan as to 95%. Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. Therefore, Mr. Duan is deemed to be interested in Guangzhou Huimao's interest in Guangzhou Mobvista under the SFO. Horgos Duanshi Pearl River Equity Investment Co., Ltd. is wholly-owned by Mr. Duan; therefore, Mr. Duan is deemed to be interested in Horgos Duanshi Pearl River Equity Investment Co., Ltd.'s interest in Guangzhou Mobvista under the SFO. As a result, Mr. Duan is deemed to be interested in an aggregate of 35.11% interest in Guangzhou Mobvista, and thus is further deemed to be interested in the 1,127,999,842 Shares of our Company which Guangzhou Mobvista is interested in.

(ii) *Interest in associated corporations*

Name of Director	Name of associated corporation	Registered capital of the associated corporation	Nature of interests	Approximate percentage of shareholding in the associated corporation
Mr. Duan Wei ⁽¹⁾	Guangzhou Mobvista	RMB372,644,072	Beneficial owner	12.94%
			Interest in controlled corporation	22.17%
Mr. Cao Xiaohuan ⁽²⁾	Guangzhou Mobvista	RMB372,644,072	Beneficial owner	0.65%
			Interest in controlled corporation	4.45%

Notes:

- (1) Mr. Duan, Guangzhou Huimao, and Horgos Duanshi Pearl River Equity Investment Co., Ltd.* (霍爾果斯段氏珠江股權投資有限公司) directly holds 12.94%, 17.97% and 4.20% interest in Guangzhou Mobvista, respectively. The general partner of Guangzhou Huimao is Guangzhou Huisui, which is owned by Mr. Duan as to 95%. Guangzhou Huisui holds the entire voting and disposition power in Guangzhou Huimao. Therefore, Mr. Duan is deemed to be interested in Guangzhou Huimao's interest in Guangzhou Mobvista under the SFO. Horgos Duanshi Pearl River Equity Investment Co., Ltd. is wholly-owned by Mr. Duan; therefore, Mr. Duan is deemed to be interested in Horgos Duanshi Pearl River Equity Investment Co., Ltd.'s interest in Guangzhou Mobvista under the SFO.

- (2) Mr. Cao, Horgos Huichun Equity Investment Co., Ltd.* (霍爾果斯匯淳股權投資有限公司) and Fengli Trust directly holds 0.65%, 1.28% and 3.17% interest in Guangzhou Mobvista, respectively. Horgos Huichun Equity Investment Co., Ltd.* (霍爾果斯匯淳股權投資有限公司) is a company wholly-owned by Mr. Cao. The trustee and sole beneficiary of Fengli Trust is Guangzhou Huiqian. The general partner of Guangzhou Huiqian is Mr. Cao, who held 1% interest in Guangzhou Huiqian. The limited partners of Guangzhou Huiqian are Mr. Xi, Mr. Fang, Mr. WANG Ping and Horgos Duanshi Pearl River Equity Investment Co., Ltd.* (霍爾果斯段氏珠江股權投資有限公司, a company wholly-owned by Mr. Duan), holding 27.26%, 27.26%, 27.26% and 17.21% interest in Guangzhou Huiqian, respectively. Currently the general partner, namely Mr. Cao, holds the entire voting and disposition power in Guangzhou Huiqian.

(b) *Interests of the Substantial Shareholders*

Save as disclosed in the section headed “Substantial Shareholders” in this prospectus, our Directors are not aware of any other person who will, immediately following the completion of the Capitalization Issue and the Global Offering have an interest or short position in the Shares or the underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

4. **Disclaimers**

Save as disclosed in this prospectus:

- (a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation) between the Directors and any member of the Group;
- (b) none of the Directors or the experts named in the section headed “— 9. Consents of experts” has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (c) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of the Company within the two years ended on the date of this prospectus;
- (d) none of the Directors or the experts named in the section headed “— 9. Consents of experts” is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole;
- (e) neither our Controlling Shareholders nor our Directors are interested in any business apart from our Group’s business which competes or is likely to compete, directly or indirectly, with the business of our Group;
- (f) no cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this prospectus to any promoter of our Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the Global Offering or related transactions as mentioned;
- (g) none of our Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group;
- (h) taking no account of any Shares which may be taken up under the Capitalization Issue and the Global Offering and allotted and issued pursuant to the Over-Allotment Option, the RSU Schemes and the Share Option Scheme, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the Global Offering, have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock

Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

- (i) none of the Directors or chief executive of the Company has any interests 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) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange once the Shares are listed thereon.

E SHARE INCENTIVE SCHEMES

1. RSU SCHEMES

Set forth below is a summary of the principal terms of the Employee RSU Scheme and the Management RSU Scheme (collectively, the “**RSU Schemes**”) of our Company.

1A. Employee RSU Scheme

The following is a summary of the principal terms of the Employee RSU Scheme approved and adopted by the Board on September 27, 2018 and amended on November 19, 2018. The Employee RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee RSU Scheme does not involve the grant of options by the Company to subscribe for new Shares.

(a) *Purposes of the Employee RSU Scheme*

The purpose of the Employee RSU Scheme is to incentivize employees and consultants of the Group, provided that they are not core connected persons of the Company, for their contribution to the Group, and to attract and retain skilled and experienced personnel for the future growth of the Group by providing them with the opportunity to own equity interests in the Company.

(b) *Administration of the Employee RSU Scheme*

The Employee RSU Scheme shall be subject to the administration of the Board in accordance with the rules of the Employee RSU Scheme. The Board may delegate the authority to administer the Employee RSU Scheme to a committee of the Board, and if no such committee is appointed, it shall mean the Board (the “**Employee RSU Administrator**”). The Employee RSU Administrator may also appoint one or more persons to assist in the administration of the Employee RSU Scheme as the Employee RSU Administrator thinks fit.

The Employee RSU Administrator’s determinations under the Employee RSU Scheme need not be uniform and may be made by it selectively with respect to persons who are granted, or are eligible to be granted, RSUs under it.

Each participant in the Employee RSU Scheme (the “**Employee RSU Participant**”) waives any right to contest, amongst other things, the value and number of RSUs or Shares or equivalent value of cash underlying the RSUs or Shares and the Employee RSU Administrator’s administration of the Employee RSU Scheme. A decision taken by the Employee RSU Administrator as regards the eligibility of a person will be final and binding.

The Employee RSU Trustee shall not exercise the voting rights in respect of any underlying Shares held under the Employee RSU Scheme and shall abstain from voting on resolutions of the general meetings of the Company until the underlying Shares are transferred to the relevant Employee RSU Participants upon their exercise. As of the date of this prospectus, the Employee RSU Trustee holds 53,945 Shares (and will hold 60,849,858 Shares immediately upon completion of the Capitalization Issue), which are counted towards the public float for the purpose of Rule 8.08 and 8.24 of the Listing Rules.

(c) ***RSUs***

An RSU gives an Employee RSU Participant a conditional right when the RSU vests to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of exercise of the RSUs, less any tax, stamp duty and other charges applicable, as determined by the Employee RSU Administrator in its absolute discretion. An RSU may include, where applicable, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares.

(d) ***Participants in the Employee RSU Scheme***

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

Since the participants and beneficiaries in the Employee RSU Scheme only include existing employees and consultants of the Company or any of their subsidiaries who are not core connected persons of the Company, the Employee RSU Trustee and its wholly-owned subsidiary, Mobile Value Discovery Inc. (BVI) are not core connected persons of the Company under Listing Rules. As such, the Shares held by Mobile Value Discovery Inc. (BVI) underlying the Employee RSU Scheme are counted towards public float of the Company for the purposes of Rules 8.08 and 8.24 of the Listing Rules.

(e) ***Term of the Employee RSU Scheme***

The Employee RSU Scheme will be valid and effective for a period of ten (10) years, commencing from the date of the first grant of the RSUs, being November 1, 2018 (unless it is terminated earlier in accordance with its terms) (the “**Employee RSU Scheme Period**”).

(f) ***Grant and acceptance***

(i) ***Making an offer***

An offer to grant RSUs will be made to an Employee RSU Eligible Person selected by the Employee RSU Administrator (“**Employee RSU Selected Person**”) by a letter (“**Employee RSU Grant Letter**”). The Employee RSU Grant Letter shall specify the Employee RSU Selected Person’s name, the manner of acceptance of the RSU, the number of RSUs granted and the number of underlying Shares represented by the RSUs, the vesting criteria and conditions, the vesting schedule and such other details as the Employee RSU Administrator considers necessary.

(ii) ***Acceptance of an offer***

An Employee RSU Selected Person may accept an offer of the grant of RSUs in such manner as set out in the Employee RSU Grant Letter. Once accepted, the RSUs are deemed granted from the date of the Employee RSU Grant Letter (“**Employee RSU Grant Date**”).

(g) *Maximum number of Shares pursuant to RSUs*

Unless otherwise approved by our Shareholders, the total number of Shares underlying RSUs (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the Employee RSU Scheme) under the Employee RSU Scheme shall not exceed 60,849,858 Shares (after taking into consideration of adjustment pursuant to the Capitalization Issue), representing approximately 4.0% of the issued share capital of our Company immediately upon completion of the Capitalization Issue and Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares that may be issued pursuant to the Share Option Scheme.

(h) *Rights attached to RSUs*

An Employee RSU Participant will have no voting rights in respect of the Shares underlying the RSUs prior to their exercise and unless otherwise specified in the Employee RSU Grant Letter addressed to the Employee RSU Participant. For the avoidance of doubt, starting from the date of grant, the Employee RSU Participant is entitled to the cash or non-cash income, dividends or distributions and/or sale proceeds of the non-cash and non-scrip distributions of the Shares underlying the RSUs; all of the cash or non-cash income, dividends or distributions and/or sale proceeds of the non-cash and non-scrip distributions of the Shares underlying the RSUs will be transferred to the Employee RSU Participant upon vesting of the Shares in accordance with the Employee RSU Scheme.

(i) *Rights attached to Shares*

Any Shares transferred to an Employee RSU Participant in respect of any RSUs will be subject to all the provisions of the Articles of Association and will rank *pari passu* with the fully paid Shares in issue on the date of the transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members.

(j) *Assignment of RSUs*

The RSUs granted pursuant to the Employee RSU Scheme are personal to each Employee RSU Participant, and are in no way assignable or capable of being assigned. Employee RSU Participants are prohibited from selling, transferring, assigning, charging, mortgaging, encumbering, hedging or creating any interest in favour of any third person over or in relation to any property held by the Employee RSU Trustee on trust for the Employee RSU Participants, the RSUs, or any interest or benefits therein, including but not limited to any related income referable to the Shares underlying the RSUs.

(k) *Vesting of RSUs*

The Employee RSU Administrator can determine the vesting criteria, conditions and the time schedule when the RSUs will vest and such criteria, conditions and time schedule shall be stated in the Employee RSU Grant Letter.

Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Employee RSU Administrator will send a vesting notice (“**Employee RSU Vesting Notice**”) to each of the relevant Employee RSU Participants. The Employee RSU Vesting Notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved.

(l) *Appointment of the Employee RSU Trustee*

The Company has appointed Sovereign Trustees Limited as the Employee RSU Trustee to assist with the administration and vesting of RSUs granted pursuant to the Employee RSU Scheme. The Company may (i) allot and issue Shares to the Employee RSU Trustee to be held by the Employee RSU Trustee and which will be used to satisfy the RSUs upon exercise and/or (ii) direct and procure the Employee RSU Trustee to

receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise. All the Shares underlying the RSUs granted and to be granted under the Employee RSU Scheme shall be transferred, allotted and issued to the Employee RSU Trustee. As of the date of this prospectus, Mobile Value Discovery Inc. (a wholly-owned subsidiary of the Employee RSU Trustee) holds 53,945 Shares (and will hold 60,849,858 Shares immediately upon completion of the Capitalization Issue) underlying the RSUs for the benefit of eligible participants pursuant to the Employee RSU Scheme.

(m) ***Exercise of RSUs***

RSUs held by an Employee RSU Participant that are vested as evidenced by the Employee RSU Vesting Notice may be exercised (in whole or in part) by the Employee RSU Participant serving an exercise notice in writing on the Employee RSU Trustee and the Company. Any exercise of RSUs must be in respect of a board lot or an integral number thereof (except where the number of RSUs which remains unexercised is less than one board lot). Upon receipt of an exercise notice, except as otherwise provided by the Board, the Employee RSU Administrator may decide to:

- (a) direct and procure the Employee RSU Trustee to, within a reasonable time, transfer the Shares underlying the RSUs exercised (and, where applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Employee RSU Participant which the Company has allotted and issued to the Employee RSU Trustee as fully paid up Shares or which the Employee RSU Trustee has either acquired by purchasing existing Shares or by receiving existing Shares from any Shareholder, subject to the Employee RSU Participant paying all tax, stamp duty, levies and charges applicable to such transfer to the Employee RSU Trustee or as the Employee RSU Trustee directs; or
- (b) pay, or direct and procure the Employee RSU Trustee to, within a reasonable time, pay, to the Employee RSU Participant in cash an amount which represents the value of the Shares underlying the RSUs exercised on or about the date of exercise (and, where applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) after deduction of any tax, levies, stamp duty and other charges applicable to the sale of any Shares to fund such payment and in relation thereto.

(n) ***Forfeiture provisions***

In any of the following circumstances, any unvested portions of the RSUs granted to the Employee RSU Participant will automatically lapse immediately, while the vested portions of the RSUs granted to the Employee RSU Participant (including the portion of the RSUs that has been settled in Shares, if any) may be retained by the relevant Employee RSU Participant or repurchased by the Employee RSU Trustee, with the Employee RSU Administrator to determine whether to repurchase and the price of repurchase according to the specific situations:

- (a) an Employee RSU Participant's employment or service terminates in circumstances where (i) the employment or service is voluntarily terminated by the Employee RSU Participant, (ii) the employment or service is terminated solely due to the incompetence of the Employee RSU Participant, or (iii) the company employing the Employee RSU Participant ceases to be one of the subsidiaries of the Company,
- (b) serious disease, disability or death of the Employee RSU Participant, or
- (c) any other incident occurs as the Employee RSU Administrator may at its discretion specify.

In any of the following circumstances, all vested and unvested RSUs shall automatically lapse, and the Employee RSU Trustee shall repurchase all the vested portions of the RSUs (including the portion of the RSUs that has been settled in Shares, if any) granted to the Employee RSU Participant at nil consideration or the lowest price as prescribed by applicable laws:

- (a) the Employee RSU Participant is in serious breach of his contract of employment with or any other employee policies or obligation to the Group;
- (b) the Employee RSU Participant is prosecuted for any criminal liabilities;

- (c) the Employee RSU Participant causes damages to the Group, including material malfeasance and breach of any non-competition and confidentiality obligations; and/or
- (d) the Employee RSU Participant is involved in any incident or is the cause of any other incident that may be harmful to our Group's interest as determined by the Employee RSU Administrator at its discretion.

At the absolute discretion of the Employee RSU Administrator, the Employee RSU Administrator may cancel any RSU that has not vested or has lapsed as contemplated by these Rules, provided that:

- (a) the Company or its subsidiaries (where applicable) pay to the participant amount equal to the fair value of the RSU at the date of the cancellation as determined by the Employee RSU Administrator, after consultation with the auditors or an independent financial adviser appointed by the Employee RSU Administrator;
- (b) the Company or its relevant subsidiary (where applicable) provides to the Employee RSU Participant a replacement award (or a grant or option under any other restricted share unit scheme, share option scheme or share-related incentive scheme) of equivalent value to the RSUs to be cancelled; or
- (c) the Employee RSU Administrator makes an arrangement as the Employee RSU Participant may agree in order to compensate him for the cancellation of the RSUs.

(o) ***Amendment and termination of the Employee RSU Scheme***

The terms of the Employee RSU Scheme may be altered, amended or waived in any respect by the Board provided that such alteration, amendment or waiver shall not affect any subsisting rights of any Employee RSU Participants thereunder. Any alteration, amendment or waiver to the Employee RSU Scheme of a material nature shall be approved by our Shareholders. The Board shall have the right to determine whether any proposed alteration, amendment or waiver is material and such determination shall be conclusive.

The Board may terminate the Employee RSU Scheme at any time before the expiry of the Employee RSU Scheme Period by deed. The provisions of the Employee RSU Scheme shall remain in full force and effect in respect of RSUs which are granted pursuant to the rules of the Employee RSU Scheme prior to the termination of the operation of the Employee RSU Scheme. Upon termination, the Board shall give notice to the Employee RSU Trustee and the Employee RSU Participants of the such termination which notice shall provide the Employee RSU Trustee with directions as to how the Board wishes the Employee RSU Trustee should deal with any property held by the Employee RSU Trustee for the Employee RSU Participants (including but not limited to the Shares) and the how the outstanding RSUs ought to be dealt with.

(p) ***General***

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, new Shares underlying the RSUs that have been granted pursuant to the Employee RSU Scheme.

(q) ***Outstanding RSUs granted***

As at the Latest Practicable Date, RSUs in respect of 49,454,400 underlying Shares (after taking into consideration of the adjustment pursuant to the Capitalization Issue), representing approximately 3.3% of the total issued share capital of the Company after the completion of the Capitalization Issue and immediately following the Global Offering (without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option, additional RSUs which may be further granted under the RSU Schemes or options which may be granted under the Share Option Scheme), had been granted to 236 RSU Participants pursuant to the Employee RSU Scheme. None of the grantees of the RSUs under the Employee RSU Scheme is a Director, a member of the senior management of the Company or otherwise a core connected person of the Company.

For the RSUs granted on November 1, 2018 to the grantees under the Employee RSU Scheme, they shall (unless our Board shall otherwise determine and so notify the Employee RSU Participant in writing) vest as follows:

- (i) as to approximately 10% of the RSUs on December 31, 2018;
- (ii) as to approximately 4% of the RSUs on April 30, 2019;
- (iii) as to approximately 52% of the RSUs on December 31, 2019;
- (iv) as to approximately 8% of the RSUs on April 30, 2020;
- (v) as to approximately 23% of the RSUs on December 31, 2020; and
- (vi) as to approximately 4% of the RSUs on April 30, 2021.

1B. Management RSU Scheme

The following is a summary of the principal terms of the Management RSU Scheme approved and adopted by the Board on November 19, 2018. The Management RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Management RSU Scheme does not involve the grant of options by the Company to subscribe for new Shares.

(a) *Purposes of the Management RSU Scheme*

The purpose of the Management RSU Scheme is to incentivize directors, senior management and officers for their contribution to the Group, and to attract and retain skilled and experienced personnel for the future growth of the Group by providing them with the opportunity to own equity interests in the Company.

(b) *Administration of the Management RSU Scheme*

The Management RSU Scheme shall be subject to the administration of the Board in accordance with the rules of the Scheme. The Board may delegate the authority to administer the Management RSU Scheme to a committee of the Board, and if no such committee is appointed, it shall mean the Board (the “**Management RSU Administrator**”). The Management RSU Administrator may also appoint one or more persons to assist in the administration of the Management RSU Scheme as the Management RSU Administrator thinks fit.

The Management RSU Administrator’s determinations under the Management RSU Scheme need not be uniform and may be made by it selectively with respect to persons who are granted, or are eligible to be granted, RSUs under it. If a Director is a participant in the Management RSU Scheme (the “**Management RSU Participant**”) he may, notwithstanding his own interest and subject to the Articles of Association, vote on any Board resolution concerning the Management RSU Scheme (other than in respect of his own participation in it), and may retain RSUs under it. Each Management RSU Participant waives any right to contest, amongst other things, the value and number of RSUs or Shares or equivalent value of cash underlying the RSUs or Shares and the Management RSU Administrator’s administration of the Management RSU Scheme. A decision taken by the Management RSU Administrator as regards the eligibility of a person will be final and binding.

The Management RSU Trustee shall not exercise the voting rights in respect of any underlying Shares held under the Management RSU Scheme and shall abstain from voting on resolutions of the general meetings of the Company until the underlying Shares are transferred to the relevant Management RSU Participants upon their exercise.

(c) ***RSUs***

An RSU gives a Management RSU Participant a conditional right when the RSU vests to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of exercise of the RSUs, less any tax, stamp duty and other charges applicable, as determined by the Management RSU Administrator in its absolute discretion. An RSU may include, where applicable, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares.

(d) ***Participants in the Management RSU Scheme***

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

Since the participants and beneficiaries of the Management RSU Scheme include senior management, directors and officers of the Company or any of their subsidiaries who are core connected persons of the Company, the Management RSU Trustee and its wholly-owned subsidiary, Connected Globe Holdings Limited (BVI) are core connected persons of the Company. As such, the Shares held by Connected Globe Holdings Limited (BVI) underlying the Management RSU Scheme will not be counted as part of the public float of the Company for the purposes of the Rules 8.08 and 8.24 of the Listing Rules.

(e) ***Term of the Management RSU Scheme***

The Management RSU Scheme will be valid and effective for a period of ten (10) years, commencing from the date of the first grant of the RSUs, being November 21, 2018 (unless it is terminated earlier in accordance with its terms) (the “**Management RSU Scheme Period**”).

(f) ***Grant and acceptance***

(i) ***Making an offer***

An offer to grant RSUs will be made to a Management RSU Eligible Person selected by the Management RSU Administrator (“**Management RSU Selected Person**”) by a letter (“**Management RSU Grant Letter**”). The Management RSU Grant Letter shall specify the Selected Person’s name, the manner of acceptance of the RSU, the number of RSUs granted and the number of underlying Shares represented by the RSUs, the vesting criteria and conditions, the vesting schedule and such other details as the Management RSU Administrator considers necessary.

(ii) ***Acceptance of an offer***

A Management RSU Selected Person may accept an offer of the grant of RSUs in such manner as set out in the Management RSU Grant Letter. Once accepted, the RSUs are deemed granted from the date of the Management RSU Grant Letter (“**Management RSU Grant Date**”).

(g) ***Maximum number of Shares pursuant to RSUs***

Unless otherwise approved by our Shareholders, the total number of Shares underlying RSUs (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the Management RSU

Scheme) under the Management RSU Scheme shall not exceed 11,150,300 Shares (after taking into consideration of adjustment pursuant to the Capitalization Issue), representing approximately 0.7% of the issued share capital of our Company immediately upon completion of the Capitalization Issue and Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any Shares that may be issued pursuant to the Share Option Scheme.

(h) ***Rights attached to RSUs***

A Management RSU Participant will have no voting rights in respect of the Shares underlying the RSUs prior to their exercise and unless otherwise specified in the Management RSU Grant Letter addressed to the Management RSU Participant. For the avoidance of doubt, starting from the date of grant, the Management RSU Participant is entitled to the cash or non-cash income, dividends or distributions and/or sale proceeds of the non-cash and non-scrip distributions of the Shares underlying the RSUs; all of the cash or non-cash income, dividends or distributions and/or sale proceeds of the non-cash and non-scrip distributions of the Shares underlying the RSUs will be transferred to the Participant upon vesting of the Shares in accordance with the Management RSU Scheme.

(i) ***Rights attached to Shares***

Any Shares transferred to a Management RSU Participant in respect of any RSUs will be subject to all the provisions of the Articles of Association and will rank *pari passu* with the fully paid Shares in issue on the date of the transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members.

(j) ***Assignment of RSUs***

The RSUs granted pursuant to the Management RSU Scheme are personal to each Management RSU Participant, and are in no way assignable or capable of being assigned. Management RSU Participants are prohibited from selling, transferring, assigning, charging, mortgaging, encumbering, hedging or creating any interest in favour of any third person over or in relation to any property held by the Management RSU Trustee on trust for the Management RSU Participants, the RSUs, or any interest or benefits therein, including but not limited to any related income referable to the Shares underlying the RSUs.

(k) ***Vesting of RSUs***

The Management RSU Administrator can determine the vesting criteria, conditions and the time schedule when the RSUs will vest and such criteria, conditions and time schedule shall be stated in the Management RSU Grant Letter.

Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Management RSU Administrator will send a vesting notice (“**Management RSU Vesting Notice**”) to each of the relevant Management RSU Participants. The Management RSU Vesting Notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved.

(l) ***Appointment of the Management RSU Trustee***

The Company has appointed Sovereign Fiduciaries (Hong Kong) Limited as the Management RSU Trustee to assist with the administration and vesting of RSUs granted pursuant to the Management RSU Scheme. The Company may (i) allot and issue Shares to the Management RSU Trustee to be held by the Management RSU Trustee and which will be used to satisfy the RSUs upon exercise and/or (ii) direct and procure the Management RSU Trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise. All the Shares underlying the

RSUs granted and to be granted under the Management RSU Scheme shall be transferred, allotted and issued to the Management RSU Trustee. As of the date of this prospectus, Connected Globe Holdings Limited (a wholly-owned subsidiary of the Management RSU Trustee) holds 9,885 Shares (and will hold 11,150,300 Shares immediately upon completion of the Capitalization Issue) underlying the RSUs for the benefit of eligible participants pursuant to the Management RSU Scheme.

(m) *Exercise of RSUs*

RSUs held by a Management RSU Participant that are vested as evidenced by the Management RSU Vesting Notice may be exercised (in whole or in part) by the Management RSU Participant serving an exercise notice in writing on the Management RSU Trustee and the Company. Any exercise of RSUs must be in respect of a board lot or an integral number thereof (except where the number of RSUs which remains unexercised is less than one board lot). Upon receipt of an exercise notice, except as otherwise provided by the Board, the Management RSU Administrator may decide to:

- (a) direct and procure the Management RSU Trustee to, within a reasonable time, transfer the Shares underlying the RSUs exercised (and, where applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Management RSU Participant which the Company has allotted and issued to the Management RSU Trustee as fully paid up Shares or which the Management RSU Trustee has either acquired by purchasing existing Shares or by receiving existing Shares from any Shareholder, subject to the Management RSU Participant paying all tax, stamp duty, levies and charges applicable to such transfer to the Management RSU Trustee or as the Management RSU Trustee directs; or
- (b) pay, or direct and procure the Management RSU Trustee to, within a reasonable time, pay, to the Management RSU Participant in cash an amount which represents the value of the Shares underlying the RSUs exercised on or about the date of exercise (and, where applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) after deduction of any tax, levies, stamp duty and other charges applicable to the sale of any Shares to fund such payment and in relation thereto.

(n) *Forfeiture provisions*

In any of the following circumstances, any unvested portions of the RSUs granted to the Participant will automatically lapse immediately, while the vested portions of the RSUs granted to the Participant (including the portion of the RSUs that has been settled in Shares, if any) may be retained by the relevant Participant or repurchased by the Trustee, with the Management RSU Administrator to determine whether to repurchase and the price of repurchase according to the specific situations:

- (a) a Management RSU Participant's employment or service terminates in circumstances where (i) the employment or service is voluntarily terminated by the Management RSU Participant, (ii) the employment or service is terminated solely due to the incompetence of the Management RSU Participant, or (iii) the company employing the Management RSU Participant ceases to be one of the subsidiaries of the Company,
- (b) serious disease, disability or death of the Management RSU Participant, or
- (c) any other incident occurs as the Management RSU Administrator may at its discretion specify.

In any of the following circumstances, all vested and unvested RSUs shall automatically lapse, and the Trustee shall repurchase all the vested portions of the RSUs (including the portion of the RSUs that has been settled in Shares, if any) granted to the Participant at nil consideration or the lowest price as prescribed by applicable laws:

- (a) is in serious breach of his contract of employment with or any other employee policies or obligation to the Group;
- (b) is prosecuted for any criminal liabilities;

- (c) causes damages to the Group, including material malfeasance and breach of any non-competition and confidentiality obligations; and/or
- (d) that may be harmful to our Group's interest as determined by the Management RSU Administrator at its discretion.

At the absolute discretion of the Management RSU Administrator, the Management RSU Administrator may cancel any RSU that has not vested or has lapsed as contemplated by these Rules, provided that:

- (a) the Company or its subsidiaries (where applicable) pay to the participant amount equal to the fair value of the RSU at the date of the cancellation as determined by the Management RSU Administrator, after consultation with the auditors or an independent financial adviser appointed by the Management RSU Administrator;
- (b) the Company or its relevant subsidiary (where applicable) provides to the Management RSU Participant a replacement award (or a grant or option under any other restricted share unit scheme, share option scheme or share-related incentive scheme) of equivalent value to the RSUs to be cancelled; or
- (c) the Management RSU Administrator makes an arrangement as the Management RSU Participant may agree in order to compensate him for the cancellation of the RSUs.

(o) ***Amendment and termination of the Management RSU Scheme***

The terms of the Management RSU Scheme may be altered, amended or waived in any respect by the Board provided that such alteration, amendment or waiver shall not affect any subsisting rights of any Management RSU Participants thereunder. Any alteration, amendment or waiver to the Management RSU Scheme of a material nature shall be approved by our Shareholders. The Board shall have the right to determine whether any proposed alteration, amendment or waiver is material and such determination shall be conclusive.

The Board may terminate the Management RSU Scheme at any time before the expiry of the Management RSU Scheme Period by deed. The provisions of the Management RSU Scheme shall remain in full force and effect in respect of RSUs which are granted pursuant to the rules of the Management RSU Scheme prior to the termination of the operation of the Management RSU Scheme. Upon termination, the Board shall give notice to the Management RSU Trustee and the Management RSU Participants of the such termination which notice shall provide the Management RSU Trustee with directions as to how the Board wishes the Management RSU Trustee should deal with any property held by the Trustee for the Participants (including but not limited to the Shares) and the how the outstanding RSUs ought to be dealt with.

(p) ***General***

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, new Shares underlying the RSUs that have been granted pursuant to the Management RSU Scheme.

(q) ***Outstanding RSUs granted***

As at the Latest Practicable Date, RSUs in respect of 11,150,300 underlying Shares (after taking into consideration of the adjustment pursuant to the Capitalization Issue), representing approximately 0.7% of the total issued share capital of the Company after the completion of the the Capitalization Issue and immediately following the Global Offering (without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option, additional RSUs which may be further granted under the RSU Schemes or options which may be granted under the Share Option Scheme), had been granted to 6 Management RSU Participants pursuant to the Management RSU Scheme. Among the grantees of the RSUs, two are Directors,

three are members of the senior management of our Company and one is an entity wholly-owned by a member of the senior management of our Company, the details of which are set out in the table below.

Name of Grantees of RSUs	Role	Address	Number of Shares represented by RSUs ⁽¹⁾	Date of Grant	Approximate percentage of issued shares immediately after completion of the Global Offering ⁽²⁾
<i>Directors and senior management of the Company</i>					
Mr. XI Yuan (奚原)	Executive Director and vice president of the Company	Room 1-101, Building 200, Liujiacun, Fengtai District, Beijing, PRC	1,739,000	November 21, 2018	0.1%
Mr. FANG Zikai (方子愷)	Executive Director and vice president of the Company	Room 2-602, Building 6, District 6 of Longteng Garden Huilongguan Town, Changping District, Beijing, PRC	2,969,100	November 21, 2018	0.2%
Mr. SONG Xiaofei (宋笑飛) ⁽³⁾	Chief financial officer of the Company	Room 705, No. 18, Jinsui Road, Tianhe District, Guangzhou City, Guangdong Province, PRC	2,344,400 ⁽³⁾	November 21, 2018 ⁽³⁾	0.2% ⁽³⁾
Mr. CHEN Qiaofeng (陳巧鋒)	Vice president of the Company	Room 1503, No. 1, Leyingshan Street, Nancunyajia, Panyu District, Guangzhou, Guangdong Province, PRC	747,100	November 21, 2018	0.1%
Mr. LI Tianhui (黎田輝)	Human resources director of the Company	Room 1603, No. 96-2, Tianrun Street, Tianhe District, Guangzhou, Guangdong Province, PRC	1,839,100	November 21, 2018	0.1%
Ms. YANG Ying (楊瑩)	Head of Southeast Asia and Europe regions of the Company	Room 1204, No. 38-1 Machang Road, Tianhe District, Guangzhou City, Guangdong Province, PRC	1,511,600	November 21, 2018	0.1%
<i>Total</i>					
6 grantees			11,150,300	November 21, 2018	0.7%

Notes:

- (1) These figures reflect the post adjusted amount of Shares upon completion of the Capitalization Issue.
- (2) Assuming the Over-allotment Option is not exercised, and without taking into account any Shares which may be issued pursuant to the Share Option Scheme.
- (3) The RSUs representing 2,344,400 Shares (after taking into consideration of the adjustment pursuant to the Capitalization Issue) were granted to Sierra Xray Limited, a company incorporated in the BVI and wholly-owned by Mr. SONG Xiaofei. The registered address of Sierra Xray Limited is Mill Mall, Suite 6, Wickhams Cay 1, P.O.Box 3085, Road Town, Tortola, the BVI.

For the RSUs granted on November 21, 2018 to the grantees set out in the table above, they shall (unless our Board shall otherwise determine and so notify the Management RSU Participant in writing) vest as follows:

- (i) as to approximately 43% of the RSUs on April 30, 2019;
- (ii) as to approximately 41% of the RSUs on April 30, 2020; and
- (iii) as to approximately 16% of the RSUs on April 30, 2021.

2. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by our Shareholders on October 30, 2018 and its implementation is conditional on the Listing.

(a) Purpose

The purpose of the Share Option Scheme is to incentivize and reward the Eligible Persons for their contribution to our Group and to align their interests with that of our Company so as to encourage them to work towards enhancing the value of our Company.

(b) Who may participate

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

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

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes (the “**Other Schemes**”) of our Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date (the “**Scheme Mandate Limit**”). On the basis of 1,518,867,000 Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering and assuming the Over-allotment Option is not exercised, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 151,886,700 Shares. Options lapsed in accordance with the terms of the Share Option Scheme and any Other Scheme of our Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

The Board may, with the approval of the Shareholders in general meeting refresh, the Scheme Mandate Limit provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any Other Schemes of our Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of on which the Shareholders approve the refreshment of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any Other Schemes of our Company (including those outstanding, canceled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as “refreshed.” The Board may, with the approval of the Shareholders in general meeting, grant options to any Eligible Person specifically identified by them which would cause the Scheme Mandate Limit to be exceeded. Our Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

At any time, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Share Option Scheme and any Other Schemes of our Company to Eligible Persons must not exceed 30% of the total number of Shares in issue from time to time.

The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or independent financial adviser appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of our Company whether by way of capitalization of profits or reserves, rights issue, consolidation or subdivision of shares, or reduction of the share capital of our Company provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction.

(d) *Maximum entitlement of each individual*

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

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

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

(e) *Grant of options to connected persons*

Each grant of options to a Director (including an independent non-executive Director) of any member of our Group or associated company of our Company, chief executive or substantial shareholder of our Company, or any of their respective associates, under the Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).

Where any grant of options to a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme (including options exercised, canceled and outstanding) to such person in the 12 month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of options by the Board must be approved by the Shareholders in general meeting. Any Shareholder who is a connected person of our Company must abstain from voting on the resolution to approve such further grant of options, except that such a connected person may vote against such resolution subject to the requirements of the Listing Rules. Our Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

(f) *Acceptance of an offer of options*

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and notify to the Eligible Person concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Share Option Scheme. An offer of options not accepted within this period shall lapse. An amount of HK\$1.00 is payable upon acceptance of the grant of an option and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

(g) *Exercise price*

Subject to any adjustment made as described in sub-paragraph (u) below, the exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

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

(h) *Duration of Share Option Scheme*

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

(i) *Time of vesting and exercise of options*

Any option shall be vested on an option-holder immediately upon his acceptance of the offer of options provided that if any vesting schedule and/or conditions are specified in the offer of the option, such option shall only be vested on an option-holder according to such vesting schedule and/or upon the fulfillment of the vesting conditions (as the case may be). Any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted. Any option which remain unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option (the "**Option Period**").

An option shall be subject to such terms and conditions (if any) as may be determined by the Board and specified in the offer of the option, including any vesting schedule and/or conditions, any minimum period for which any option must be held before it can be exercised and/or any performance target which need to be achieved by an option-holder before the option can be exercised. Such terms and conditions determined by the Board must not be contrary to the purpose of the Share Option Scheme and must be consistent with such guidelines (if any) as may be approved from time to time by the Shareholders. If an option-holder is transferred to work in China or another country and still continues to hold a salaried office or employment under a contract with a member of our Group or associated companies of our Company, and as a result of that transfer, he either (i) suffers a tax disadvantage in relation to his options (this being shown to the satisfaction of the Board); or (ii) becomes subject to restrictions on his ability to exercise his Options or to hold or deal in the Shares or the proceeds of the sale of the Shares acquired on exercise because of the security laws or exchange control laws of the PRC or the country to which he is transferred, then the Board may allow him to exercise his options, vested or unvested, during the period starting three months before and ending three months after the transfer takes place.

No option may be exercised in circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.

(j) ***Restriction on the time of grant of options***

A grant of options may not be made after inside information has come to our knowledge until such inside information has been announced as required under the Listing Rules. In particular, no option may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of the results for any year, or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

(k) ***Ranking of the Shares***

No dividends (including distributions made upon the liquidation of our Company) will be payable and no voting rights will be exercisable in relation to an option that has not been exercised. Shares allotted and issued on the exercise of an option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

(l) ***Restrictions on transfer***

Except for the transmission of an option on the death of an option-holder to his personal representatives, neither the option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any option-holder to any other person or entity. If an option-holder transfers, assigns or disposes of any such option or rights, whether voluntarily or involuntarily, then the relevant option will immediately lapse.

(m) ***Rights on voluntary resignation***

If an option-holder ceases to be an Eligible Person by reason of his voluntary resignation (other than in circumstances where he is constructively dismissed), any outstanding offer of options shall continue to be open for acceptance for such period as determined by the Board at its absolute discretion and notified to such Eligible Person, and all options (to the extent vested but not already exercised) will continue to be exercisable for such period as the Board may determine at its absolute discretion and notify to such Eligible Person on the date of cessation of employment of such Eligible Person.

(n) ***Rights on termination of employment***

If an option-holder ceases to be an Eligible Person by reason of (i) his employer terminating his contract of employment in accordance with its terms or any right conferred on his employer by law, or (ii) his contract of employment, being a contract for a fixed term, expiring and not being renewed, or (iii) his employer terminating his contract for serious or gross misconduct, then any outstanding offer of an option and all options, vested or unvested, will lapse on the date the option-holder ceases to be an Eligible Person.

(o) ***Rights on death, disability, retirement and transfer***

If an option-holder ceases to be an Eligible Person by reason of:

- (i) his death; or
- (ii) his serious illness or injury which in the opinion of the Board renders the option-holder concerned unfit to perform the duties of his employment and which in the normal course would render the option-holder unfit to continue performing the duties under his contract of employment for the following 12 months provided such illness or injury is not self-inflicted; or
- (iii) his retirement in accordance with the terms of an option-holder's contract of employment; or
- (iv) his early retirement by agreement with the option-holder's employer; or
- (v) his employer terminating his contract of employment by reason of redundancy; or
- (vi) his employer ceasing to be a member of our Group or an associated company of our Company or under the control of our Company; or
- (vii) a transfer of the business, or the part of the business, in which the option-holder works to a person who is neither under the control of our Company nor a member of our Group or associated companies of our Company; or
- (viii) if the Board determines in its absolute discretion that circumstances exist which mean that it is appropriate and consistent with the purpose of the Share Option Scheme to treat an option-holder whose options would otherwise lapse so that such options do not lapse but continue to subsist in accordance with (and subject to) the provisions of the Share Option Scheme,

then, any outstanding offer of an option which has not been accepted and any unvested option will lapse and the option-holder or his personal representatives (if appropriate) may exercise all his options (to the extent vested but not already exercised) within a period of three months of the date of cessation of employment. Any option not exercised prior to the expiry of this period shall lapse.

If the Board determines that an option-holder who ceases to be an Eligible Person in circumstances such that his options continue to subsist in accordance with (viii) above:

- (a) is guilty of any misconduct which would have justified the termination of his contract of employment for cause but which does not become known to our Company until after he has ceased employment with any member of our Group or associated companies; or
- (b) is in breach of any material term of contract of employment (or other contract or agreement related to his contract of employment), without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him and any member of our Group or associated companies; or
- (c) has disclosed trade secrets or confidential information of any member of our Group or associated companies; or
- (d) has entered into competition with any member of our Group or associated companies or breached any non-solicitation provisions in his contract of employment,

then it may, in its absolute discretion, determine that any unexercised options, vested or not vested, held by the option-holder shall immediately lapse upon the Board resolving to make such determination (whether or not the option-holder has been notified of the determination).

(p) ***Rights on cessation to be a director***

In the event that any director ceases to be a director of any member of our Group or associated companies, our Company shall, as soon as practicable thereafter, give notice to the relevant option-holder who as a result ceases to be an Eligible Person. Any outstanding offer of an option which has not been

accepted and any unvested option will lapse on the date the option-holder ceases to be an Eligible Person. The option-holder (or his personal representative) may exercise all his options (to the extent vested but not already exercised) within a period of three months of the date of the notification by the Board. Any option not exercised prior to the expiry of this period shall lapse.

(q) ***Rights on a general offer***

In as a result of any general offer made to the holders of Shares, the Board becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of our Company has or will become vested in the offeror, any company controlled by the offeror and any person associated with or acting in concert with the offeror (a “**Change of Control**”), the Board will notify every option-holder of this within 14 days of becoming so aware or as soon as practicable after any legal or regulatory restriction on such disclosure no longer applies. Each option-holder will be entitled to exercise his options (to the extent vested but not already exercised) during the period of one month starting on the date of the Board’s notification to the option-holders. All options, vested or unvested, not exercised before the end of such period will lapse.

(r) ***Rights on company reconstructions***

In the event of a compromise or arrangement, our Company shall give notice to all option-holders on the same date as it gives notice of the meeting to the Shareholders or creditors to consider such a compromise or arrangement and each option-holder (or his personal representative) may at any time thereafter, but before such time as shall be notified by our Company, exercise all or any of his options (to the extent vested but not already exercised), and subject to our Company receiving the exercise notice and the exercise price, our Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting, allot, issue and register under the name of the option-holder such number of fully paid Shares which fall to be issued on exercise of such options. Any options, vested or not unvested, not so exercised will lapse.

(s) ***Rights on winding up***

In the event a notice is given by our Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up our Company, our Company shall on the same date as or soon after we dispatch such notice to the Shareholders give notice thereof to all option-holders and each option-holder shall be entitled to exercise all or any of his options (to the extent vested but not already exercised) at any time no later than seven days prior to the proposed general meeting of our Company, and subject to our Company receiving the exercise notice and the exercise price, our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot, issue and register under the name of the option-holder such number of fully paid Shares which fall to be issued on exercise of such options. Any options, vested or not unvested, not so exercised will lapse.

(t) ***Lapse of option***

An option will lapse on the earlier of:

- (i) the expiry of the option period as determined by the Board;
- (ii) the date on which an option-holder is in breach of sub-paragraph (l); or
- (iii) the expiry of the time provided for in the applicable rule where any of the circumstances provided in sub-paragraphs (m) to (s) above apply.

(u) *Effect of alteration to share capital*

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalization of profits or reserves, further rights issues of Shares, consolidation or subdivision of shares, or reduction of the share capital of our Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to the number of Shares, the subject matter of the option (insofar as it is unexercised) and/or the price at which the options are exercisable, as the auditors of our Company or an independent financial adviser appointed by the Board shall certify in writing to the Board to be in their opinion fair and reasonable. Notice of any adjustments shall be given by our Company to an option-holder.

Any such adjustments shall be made on the basis that an option-holder shall have the same proportion of the issued share capital of our Company as that to which he was entitled before such adjustment. No such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of our Company for which any option-holder would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustments.

The auditors of our Company or the independent financial adviser selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the Note to paragraph 17.03(13) of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule” attached to the letter of the Stock Exchange dated September 5, 2005 to all issuers relating to share option schemes), except where such adjustment is made on a capitalization issue.

The capacity of the auditors or independent financial advisers is that of experts and not of arbitrators and their certification shall be final and binding on our Company and the option-holders in the absence of fraud or manifest error. The costs of the auditors or independent financial advisers shall be borne by our Company.

(v) *Cancellation of option*

Unless the option-holder agrees, the Board may only cancel an option (which has been granted but not yet exercised) if, at the election of the Board, either:

- (i) our Company pays to the option-holder an amount equal to the fair market value of the option at the date of cancellation as determined by the Board at its absolute discretion, after consultation with the auditors of our Company or an independent financial adviser appointed by the Board; or
- (ii) the Board offers to grant to the option-holder replacement options (or options under any other share option scheme of any member of our Group) or makes such arrangements as the option-holder may agree to compensate him for the loss of the option; or
- (iii) the Board makes such arrangements as the option-holder may agree to compensate him for the cancellation of the option.

(w) *Termination of the Share Option Scheme*

The Share Option Scheme will expire automatically on the day immediately preceding the tenth anniversary of the Listing Date. The Board may terminate the Share Option Scheme at any time without Shareholders’ approval by resolving that no further options shall be granted under the Share Option Scheme and in such case, no new offers to grant options under the Share Option Scheme will be made and any options which have been granted but not yet exercised shall either (i) continue subject to the Share Option Scheme, or (ii) be canceled in accordance with sub-paragraph (v).

(x) *Amendments to the Share Option Scheme*

The Board may amend any of the provisions of the Share Option Scheme (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any option-holder at that date), except that amendments which are to the advantage of present or future option-holders in respect of matters contained in Rule 17.03 of the Listing Rules must be approved by the Shareholders in general meeting.

Any amendments to the terms and conditions of the Share Option Scheme which are of a material nature or any amendments to the terms of any options granted may only be made with the approval of the shareholders of our Company save where the amendments take effect automatically under the existing terms of the Share Option Scheme.

Any amendments to the terms of options granted to an option-holder who is a substantial shareholder of our Company or an independent non-Executive Director, or any of their respective associates, must be approved by the Shareholders in general meeting. The resolution to approve the amendment must be taken on a poll and any connected person of our Company must abstain from voting on the resolution to approve such amendment, except that such a connected person may vote against such resolution.

Any change to the authority of the Board in relation to any amendment of the rules of the Share Option Scheme may only be made with the approval of the Shareholders in general meeting.

(y) *Conditions of the Share Option Scheme*

The adoption of the Share Option Scheme is conditional on:

- (i) the Listing Committee granting (or agreeing to grant) approval (subject to such conditions as the Stock Exchange may impose) for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme; and
- (ii) the commencement of the dealings in the Shares on the Stock Exchange.

If the conditions above are not satisfied on or before the date following six months after the date the Share Option Scheme was conditionally adopted:

- (a) the Share Option Scheme shall forthwith determine
- (b) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and
- (c) no person shall be entitled to any rights or benefits or be under any obligation under or in respect of the Share Option Scheme or any option.

(z) *General*

An application has been made to the Listing Committee to the Stock Exchange for the listing of, and permission to deal in, the new Shares which may be issued pursuant to the exercise of the options which may be granted pursuant to the Share Option Scheme.

As of the Latest Practicable Date, no option had been granted or agreed to be granted by our Company pursuant to the Share Option Scheme.

Details of the Share Option Scheme, including particulars and movements of the options granted during each financial year of our Company, and our employee costs arising from the grant of the options will be disclosed in our annual report.

F OTHER INFORMATION**1. Litigation**

Save as disclosed in this prospectus, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

2. Preliminary listing expenses

The preliminary listing expenses of the Global Offering are estimated to be approximately US\$11.4 million (assuming an Offer Price of HK\$4.50 per Share, being the mid-point of the indicative Offer Price range stated in this prospectus) and are payable by our Company.

3. Agency fees or commissions

Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries.

4. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares in issue as mentioned herein and any Shares falling to be issued pursuant to the Global Offering and the exercise of the Over-allotment Option. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

The Joint Sponsors' fee in relation to the Listing is US\$1.0 million in aggregate.

5. No material adverse change

Our Directors believe that there has been no material adverse change in the financial or trading position since December 31, 2017 (being the date on which the latest audited combined financial statements of the Group were made up).

6. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

7. Miscellaneous

(a) Save as disclosed in this prospectus:

- (i) within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- (ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) our Company has no outstanding convertible debt securities or debentures.

(b) Our Company has no founder shares, management shares or deferred shares in the capital of our Company.

(c) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.

- (d) None of the equity and debt securities of our Company is listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought.
- (e) None of UBS Securities Hong Kong Limited, CMB International Capital Limited, KPMG, Shanghai iResearch Co., Ltd, Maples and Calder (Hong Kong) LLP and JunHe LLP:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group save in connection with the Underwriting Agreements.
- (f) No company within our Group is presently listed on or dealt in any other stock exchange and no such listing or permission to list is being or is proposal to be sought.
- (g) The English text of this prospectus and the Application Forms shall prevail over their respective Chinese text.
- (h) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

8. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualification
UBS Securities Hong Kong Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities as defined under the SFO
CMB International Capital Limited.	Licensed corporation under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
KPMG.	Certified public accountants
Shanghai iResearch Co., Ltd	Industry consultant
Maples and Calder (Hong Kong) LLP	Cayman Islands legal advisors
JunHe LLP	Qualified PRC lawyers

9. Consents of experts

Each of the experts listed in the section headed “ — 8. Qualifications of experts” has given and has not withdrawn their respective consents to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuations and/or legal opinion (as the case may be) and references to its name included in the form and context in which it appears.

As of the Latest Practicable Date and save as disclosed in the preceding paragraph, none of the experts named in the section headed “ — 8. Qualifications of experts” had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

10. Promoter

We do not have any promoter. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus within the two years immediately preceding the date of this prospectus.

G GENERAL**1. Taxation of Holder of our Shares****(a) *Hong Kong***

Dealings in Shares registered on our Hong Kong register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. We believe no material liability for estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

(b) *Cayman Islands*

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) *Consultation with professional advisors*

Potential investors in the Global Offering should consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding and disposing of, or dealing in Shares. It is emphasized that none of us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners and the Underwriters and their respective directors or any other parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, persons resulting from the application for, or purchasing, holding and disposal of, or dealing in Shares.

2. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) copies of the WHITE, YELLOW and GREEN Application Forms;
- (b) the written consents referred to in the section headed “Statutory and General Information —F Other Information—9. Consents of experts” in Appendix IV to this prospectus; and
- (c) copies of the material contracts referred to in the section headed “Statutory and General Information—A Further Information about our Company—5. Summary of the material contracts” in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Kirkland & Ellis at 26th Floor, Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this prospectus:

- (a) our Memorandum and Articles of Association;
- (b) the Accountants’ Report prepared by KPMG, the text of which are set out in Appendix I to this prospectus;
- (c) the audited combined financial statements of our Company for the years ended December 31, 2015, 2016 and 2017 and six months ended 30 June 2018;
- (d) the report received from KPMG on unaudited pro forma financial information, the text of which is set out in Appendix II to this prospectus;
- (e) the Companies Law;
- (f) the material contracts referred to in the section headed “Statutory and General Information—A Further Information about our Company—5. Summary of the material contracts” in Appendix IV to this prospectus;
- (g) the service contracts and letters of appointment with Directors, referred to in the section headed “Statutory and General Information—D Further Information about the Directors, Management, Staff, Substantial Shareholders and Experts—1. Particulars of Directors’ service contracts and letters of appointment” in Appendix IV to this prospectus;
- (h) the written consents referred to in the section headed “Statutory and General Information—F Other Information—9. Consents of experts” in Appendix IV to this prospectus;
- (i) the legal opinions dated this prospectus date prepared by JunHe LLP, our legal advisor as to PRC law, in respect of certain aspects of our Group and our property interests;
- (j) the letter of advice prepared by Maples and Calder (Hong Kong) LLP, our legal advisor on Cayman Islands Law, summarizing certain aspects of the Companies Law referred to in Appendix III to this prospectus;
- (k) the industry report issued by Shanghai iResearch Co., Ltd, the summary of which is set forth in the section headed “Industry Overview” in this prospectus;
- (l) the rules of the Employee RSU Scheme;
- (m) the rules of the Management RSU Scheme; and
- (n) the rules of the Share Option Scheme.

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