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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. DUAN Wei
(Chairman and Chief Executive Officer)
Mr. CAO Xiaohuan *(President)*
Mr. FANG Zikai

Independent Non-executive Directors

Mr. YING Lei
Mr. HU Jie
Mr. SUN Hongbin *(appointed on 7 July 2020)*
Mr. WANG Jianxin *(resigned on 7 July 2020)*

COMPANY SECRETARY

Ms. SO Shuk Yi Betty
Mr. QIAN Cheng *(resigned on 16 September 2020)*

AUTHORISED REPRESENTATIVES

Mr. CAO Xiaohuan
Ms. SO Shuk Yi Betty

AUDIT COMMITTEE

Mr. SUN Hongbin *(Chairman)*
(appointed on 7 July 2020)
Mr. WANG Jianxin *(Chairman)*
(resigned on 7 July 2020)
Mr. YING Lei
Mr. HU Jie

REMUNERATION COMMITTEE

Mr. YING Lei *(Chairman)*
Mr. CAO Xiaohuan
Mr. HU Jie

NOMINATION COMMITTEE

Mr. DUAN Wei *(Chairman)*
Mr. YING Lei
Mr. HU Jie

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Financial Report Council Ordinance
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Hong Kong

HONG KONG LEGAL ADVISER

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Hong Kong

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Cayman Islands

HONG KONG SHARE REGISTRAR

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Hong Kong

STOCK CODE

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COMPANY WEBSITE

www.mobvista.com

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2020 US$'000 (Unaudited)	2019 US$'000 (Unaudited)	**YoY Change**
Revenue	**266,907**	225,087	**18.6%**
Gross Profit	**58,248**	50,140	**16.2%**
Profit for the period	**13,098**	7,588	**72.6%**
Non-IFRS measures			
Adjusted EBITDA[1]	**31,232**	22,965	**36.0%**
Adjusted net profit[2]	**23,306**	17,363	**34.2%**

Notes:

(1) We define adjusted EBITDA as EBITDA (which is profit from operations plus depreciation and amortization expenses) for the period adjusted by adding back or excluding share-based compensation expenses, one-off acquisition-related expenses (if any), listing expenses (if any) and investment gain or loss from financial assets at fair value through profit or loss (if any).

(2) We define adjusted net profit as profit for the period adjusted by adding back or excluding share-based compensation expenses, one-off acquisition-related expenses (if any), listing expenses (if any) and investment gain or loss from financial assets at fair value through profit or loss (if any).

BUSINESS HIGHLIGHTS

Revenue of Programmatic Advertising

191.9 Million (US$)

Increased by 51.4%

Profit for the Period

13.1 Million (US$)

Increased by 72.6%

Clients on the Mintegral Platform

Retention Rate: 91.3%

Growth Rate: 43.0%

Publishers on the Mintegral Platform

Retention Rate: 91.6%

Growth Rate: 36.3%

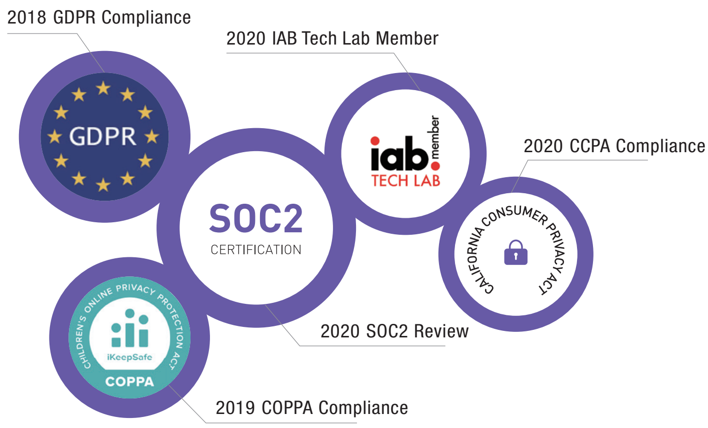
Apps on the Mintegral Platform

33,000+

Increased by 27.6%

(Compared with the end of 2019)

Data Privacy and Compliance



Notes:

1. GDPR: General Data Protection Regulation
2. IAB Tech Lab: IAB Technology Laboratory
3. SOC2: the Service Organization Control 2, the International Standard. Assurance Engagement 3000 stipulates that the internal control system of a service organization is a policy and program designed, implemented and recorded by the management to provide the service described in such service organization control report to the user entities.
4. CCPA: California Consumer Privacy Act
5. COPPA: Children's Online Privacy Protection Act

I. Company Overview and Industry Overview

Company Overview

We are a comprehensive technology platform providing mobile advertising and data analytics services to mobile application ("**App**") developers.

Through our cloud-based performance advertising platform, we provide mobile App advertisers globally with advertising services across a variety of ad formats, aggregated access to different traffic channels and devices worldwide, so as to help advertisers acquire high-quality users at scale. Meanwhile, we empower global mobile App publishers to acquire higher fill rate and purchasing price of ad inventories.

Our clients are mainly mobile App developers. Based on advertising effects, we charge clients for performance-based advertising fee which is calculated by number of users (i.e., the number of mobile App downloads or installations) acquired with the campaign. In addition, during the Reporting Period, we launched our SaaS-based self-serve performance advertising platform, which generates revenue by charging clients platform fee calculated as a percentage of their ad spend.

Meanwhile, the Group owns gaming data analytics platform GameAnalytics ("**GA**"). GA provides gamer data analytics service for game developers, and is one of the world's largest light/ultra-light gaming data analytics platforms. The platform has strategic meaning to the Group in terms of consolidating our core competitiveness in gaming advertising, enabling the Group to access potential clients and premium inventories, improving the granularity of advertising audiences' user profiles.

Main Platform

We launched our programmatic performance advertising platform Mintegral in 2016. This platform enables our clients to conduct data-driven, more targeting and transparent advertising campaign, and further obtain higher returns on their advertising spend with auto-optimized predictive models. Besides, the platform provides a comprehensive performance reporting of campaign. With the report, our clients can gain insight into campaign matrix, and thus develop better campaign strategies and achieve greater outcomes. The stated functionalities increased our clients' reliance on us and their advertising budgets in the platform.

In the meanwhile, our platform's integrated access to a variety of multichannel ad inventories enable us to help ad buyers better allocate their budgets, and enable us to improve matching and better estimate the pricing of ad inventories on a real-time basis, optimizing our bidding engine which can lead to lower impression cost and higher gross profit.

Industry Overview

During the Reporting Period, the global pandemic of COVID-19 continued to cause a slowdown in global economic activities and led to more challenging business environment. However, we are confident in our position and ability to face the ever-changing market environment.

In the short run, an uncertain economy drives advertisers to shift their focus towards the direct economic effects of their advertising, resulting in an increasing budget allocated to performance advertising. Meanwhile, the growing traffic creates significantly more demand for leisure and entertainment products. For taking up more market shares, advertisers in categories like gaming are increasing their advertising budgets rapidly.

In the long run, the increase of users' online activities accelerates the digitalization of media channels and shifts advertising budget from offline to online. Additionally, the diverse and opaque nature of mobile traffic increases the complexity of distribution, which leads to advertisers' action to move a greater percentage of their advertising budgets to the traffic integration platforms like us. Last but not least, advertisers are realizing the value of performance-based advertising due to their emphasis on having a measurable outcome tied to their advertising spend. As a result, the demand for data and algorithm-driven programmatic advertising continues to grow.

II. Financial Performance

— For the six months ended 30 June 2020, the Group's unaudited revenue increased by 18.6% to US$266.9 million (six months ended 30 June 2019: US$225.1 million); during the Reporting Period, the Group continued to invest in programmatic advertising business, leading to the continuing growth in the business and we achieved programmatic revenue of US$191.9 million and gross revenue (i.e. advertising spend of advertisers) of US$257.5 million.

— For the six months ended 30 June 2020, the Group's unaudited gross profit increased by 16.2% to US$58.2 million (six months ended 30 June 2019: US$50.1 million); the gross profit of programmatic advertising was US$39.9 million, increased by 54.3% compared with the same period in 2019 which was US$25.9 million.

— For the six months ended 30 June 2020, the Group's unaudited equity holders of the Group's earnings have an increase of approximately 72.6% to US$13.1 million (six months ended 30 June 2019: US$7.6 million); Non-IFRS measure adjusted net profit has an increase of 34.2% to US$23.3 million (six months ended 30 June 2019: US$17.4 million).

III. Business Review

1. We witnessed a surge in demand from gaming category, with the support of GA in our business layout in the field

1) We continued to grow our business in the gaming category and leveraged the growing industry trend.

During the Reporting Period, gaming category revenue increased by 91.1% on a year-on-year basis ("**YOY**") from US$87.5 million to US$167.2 million, representing 62.6% compared with 38.9% of total revenue for the same period last year.

Benefiting from the increase of global traffic, the mobile gaming industry has witnessed massive growth in advertising demand. From the category perspective, with breakouts such as "play and earn", the casual gaming segment continues to develop. Based on the advantages of proprietary user behavior data and potential clients brought by GA in the field of casual/hyper-casual games, the Group quickly seized the market share of gaming ad spend. In addition, the Group is actively developing the moderate and hardcore game vertical segment and has made progress in relevant data accumulation and traffic expansion.

2) The development of GA platform laid foundation for the Group's business expansion.

By the end of the Reporting Period, GA served more than 105,000 active games from over 80,000 game developers, increased 19.3% and 39.0% respectively comparing to those by the end of 2019.

2. We recorded a rapid growth in our client base and acceleration of flywheel effect in our programmatic advertising business

1) The programmatic business grew rapidly and the flywheel effect accelerated.

During the Reporting Period, programmatic advertising revenue increased by 51.4% from US$126.8 million to US$191.9 million from the same period last year.

Our expansion of high-quality traffic increased our ad exposure and resulted in increased velocity of data accumulation and algorithm iteration, which led to the improvement in the return on investment ("**ROI**") of advertisers and thus attracted more budgets from advertisers.

2) Client and traffic base grew rapidly and high retention rate of those strengthened our competitiveness

During the Reporting Period, the Group's client base continued to increase. In the first half of 2020, the retention rate of advertisers on the Mintegral platform reached 91.3%, and the total number of advertisers increased by 43.0% compared to the second half of 2019. Moreover, the gross ad spend from existing advertisers increased by 85.0% compared to the second half of 2019.

In terms of traffic, by the end of the Reporting Period, Mintegral platform had 4,175 publishers, with an increase of 36.3% compared to the end of 2019. Meanwhile, the platform reached more than 33,000 mobile traffic, with an increase of 27.6% compared to the second half of 2019 and a retention rate of 91.6%.

Our client base and traffic base on the Mintegral platform have both grew rapidly, and the network effect of our platform has become even more apparent.

3. Our business platformization decided diminishing marginal operational expense ratio.

During the Reporting Period, in spite of rapid growth of our revenue, our selling and marketing expense, research and development expense and general and administrative expense ratio have all been decreasing. Among the expenses, selling and marketing expense as percentage of total revenue was 1.5% (as at 30 June 2019: 2.0%), research and development expense (capitalization part included) was 9.0% of our total revenue (as at 30 June 2019: 10.1%), general and administrative expense was 6.8% of our total revenue (as at 30 June 2019: 8.6%). The Group's Non-IFRS adjusted expense ratio is defined as above stated expenses adjusted for share-based compensation expenses and capitalized research and development spending as percentage of revenue. Our Non-IFRS adjusted expense ratio decreased by 2.5 pct. (i.e. we use "pct." to represent absolute change in percentages) on a YoY basis. The platformization nature of our business led to diminishing marginal operational expense ratio (i.e. above expenses as percentage of our total revenue).

IV. Long Term Strategy

In the first half of 2020, despite various challenges in business climate, we maintained solid growth in our client base, revenue, and net profit. In addition, we pushed forward with and implemented a number of strategies to drive long term growth of the Group.

Our Company's strategies include:

1. Globalization: We have been and will continue to adhere to the globalization strategy. The Group has been always keeping our focus on establishing a sound brand image among advertisers in the Asia-Pacific region, strengthening our cooperation with the existing and potential clients. In addition, we implemented localization strategies in EMEA and the Americas to actively explore those markets.

2. Acquisition of quality traffic globally: We believe that in the context of increasingly fragmented global traffic, advertisers are shifting more of their budgets to advertising platforms with integrated access to quality traffic resources. Therefore, since 2018, the Group began to implement the App developer incentive plan in order to increase the supply of particularly high-quality programmatic traffic.

3. Focus on technology, innovation, and building a tooling ecosystem:

   1) We launched SaaS-based self-serve performance advertising platform NativeX: Advertisers could utilize this platform independently to create, conduct, manage, and optimize their mobile advertising activities, as well as execute cross-mobile devices and cross-channel campaigns. Additionally, they can rely on our strong data and artificial intelligence algorithm capabilities to optimize their advertising effects.

   2) We have been improving our gaming data analytics platform GameAnalytics: We plan to further improve our GameAnalytics platform to enhance its functionalities. We view data as one of our core advantages and our access to a large number of game developers will provide solid foundation of sable traffic for the Group's business extension. Thus, we will continue to invest GA to grow our proprietary data and actively extend our business.

   3) We have been building our tooling system: With profound insight and understanding of App developers' business and technological needs at different stage of life-cycle, the Group has been consistently building tooling ecosystem. Based on customized needs, advertisers could use tailored tool pack to fulfill their requests in data analytics, user acquisition, creative design, campaign strategy, in-house cloud deployment and operation and so on. Our platform's tooling ecosystem allows us to provide differentiated services to our clients, and thus strengthen long-term relationship with our clients.

4. Protecting data privacy: Protection of data privacy has been of paramount importance in our business operation. Our platform collects and analyzes behavioral data of mobile Internet users, but we do not identify or associate data with specific individuals through collecting data.

   As a global company, our data collection and privacy protection are subject to the supervision of global legislative and regulatory bodies, such as the GDPR (General Data Protection Regulations) of the European Union. At present, more and more digital media and advertising platforms are required to comply with these regulations, and companies that do not comply with these regulations will face the risk of being forced to terminate their businesses. Further, the Group already completed the SOC2 privacy principle audit of "security", "confidentiality", and "privacy" at the end of August 2020 (the report was issued by KPMG). We believe that the protection of data and privacy is of great importance to the Group in the long run.

Revenue

Revenue by Purchasing Model

During the six months ended 30 June 2020, we recorded total revenue of US$266.9 million (six months ended 30 June 2019: US$225.1 million), increased by 18.6% on a YoY basis. Revenue from programmatic advertising was US$191.9 million (six months ended 30 June 2019: US$126.8 million), increased by 51.4% on a YoY basis. The revenue contribution from programmatic advertising increased to 71.9% (six months ended 30 June 2019: 56.3%). Revenue from non-programmatic advertising was US$75.0 million (six months ended 30 June 2019: US$98.3 million), decreased by 23.7% on a YoY basis.

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

	Six months ended 30 June				
	2020		2019		
	US$'000	% of Mobile Advertising Revenue	US$'000	% of Mobile Advertising Revenue	YoY Change
Programmatic	**191,885**	**71.9%**	126,756	56.3%	**51.4%**
Non-programmatic	**75,022**	**28.1%**	98,331	43.7%	**-23.7%**
Total Mobile advertising revenue	**266,907**	**100.0%**	225,087	100.0%	**18.6%**

The stated growth of revenue from programmatic advertising was driven by an accelerating number of new advertisers and an increase in existing advertisers' budgets. Since 2017, the Group has been focusing on programmatic advertising to drive long-term growth. In order to improve the effectiveness of programmatic advertising and reputation of the Group's brand, the Group continues to actively expand integrations with high-quality traffic sources, strengthen our advantageous position in data, and evolve and optimize our algorithm. This enables the Group to attract more advertisers and larger advertising budgets from existing advertisers.

The decline of non-programmatic advertising can be attributed to the dual effects from changes in the industry and the Group's strategies. With the increasing emphasis of direct advertising effects by advertiser and accelerating media digitization process, the industry is moving from non-programmatic advertising business to programmatic-advertising business. This process has been expedited by the special business climate in 2020. Based on the long-term trajectory of the industry and the persistent execution of our business strategy, the Group will continue to focus on the programmatic advertising business, and our non-programmatic advertising is expected to decline steadily.

Revenue by Geographic Location

The following table sets forth a breakdown of revenue from mobile advertising by geographic regions[(1)] for the periods indicated:

	Six months ended 30 June				
	2020		2019		
	US$'000	**% of Mobile Advertising Revenue**	US$'000	% of Mobile Advertising Revenue	**YoY Change**
China[(2)]	**80,328**	**30.1%**	132,602	58.9%	**-39.4%**
EMEA[(3)]	**70,039**	**26.2%**	34,288	15.2%	**104.3%**
Americas[(4)]	**61,929**	**23.2%**	21,347	9.5%	**190.1%**
Asia Pacific[(5)]	**47,700**	**17.9%**	33,567	14.9%	**42.1%**
Others	**6,911**	**2.6%**	3,283	1.5%	**110.5%**
Total mobile advertising Revenue	**266,907**	**100.0%**	225,087	100.0%	**18.6%**

Notes:

(1) The destinations in the table were classified according to locations of advertisers' headquarters.

(2) Includes Mainland China, the Hong Kong Special Administrative Region of the People's Republic of China (the "**PRC**"), the Macau Special Administrative Region of the PRC and Chinese Taiwan.

(3) Primarily includes United Kingdom, Switzerland, Germany, Russia, Greece, Iceland, Saudi Arabia, Jordan, Egypt, Iraq and Turkey.

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

(5) Primarily includes Australia, New Zealand, Asia other than China.

During the Reporting Period, the regional structure of advertising revenue was more balanced.

China is our largest revenue source region, with a total revenue of US$80.3 million (six months ended 30 June 2019: US$132.6 million), contributing 30.1% of the total revenue. The YoY decline in revenue in China was mainly due to adjustments to advertising budgets by advertisers who were impacted by the uncertain domestic economy in the first quarter of 2020. Meanwhile, the Group employed tighter client management and enhanced risk management process.

The Americas and the EMEA region's contribution to the overall revenue grew significantly. During the Reporting Period, revenue from Americas was US$61.9 million (six months ended 30 June 2019: US$21.3 million), with a YoY growth of 190.1%, accounting for 23.2% of total revenue; EMEA's revenue in the region was US$70.0 million (six months ended 30 June 2019: US$34.3 million), with a YoY growth of 104.3%, accounting for 26.2% of total revenue. Since 2019, the Group has continued to explore the markets in Americas and EMEA, thus driving the rapid growth of advertisers and advertising revenue from those markets.

Asia-Pacific region showed encouraging growth in revenue, with a YoY growth of 42.1% to US$47.7 million (six months ended 30 June 2019: US$33.6 million). The encouraging revenue growth in the Asia-Pacific region can be attributed to the Group's forward-looking regional business layout. With the popularization of the Internet and the increasing penetration of smart mobile devices in the Asia-Pacific region, the regional revenue has achieved steady growth. Sustainable growth is expected in the long term in this region.

Revenue by Mobile App Category

The following table sets forth a breakdown of revenue from mobile advertising by mobile App categories for the periods indicated:

	Six months ended 30 June				
	2020		2019		
	US$'000	**% of Mobile Advertising Revenue**	US$'000	% of Mobile Advertising Revenue	**YoY Change**
Games	**167,153**	**62.6%**	87,474	38.9%	**91.1%**
E-commerce	**50,506**	**18.9%**	35,759	15.9%	**41.2%**
Content and social	**17,231**	**6.5%**	47,000	20.9%	**-63.3%**
Lifestyle	**10,856**	**4.1%**	22,965	10.2%	**-52.7%**
Utility	**9,984**	**3.7%**	16,777	7.5%	**-40.5%**
Other	**11,177**	**4.2%**	15,112	6.6%	**-26.0%**
Total mobile advertising revenue	**266,907**	**100.0%**	225,087	100.0%	**18.6%**

During the Reporting Period, the gaming category, as the main driver of the Group's revenue growth for the period recorded revenue of US$167.2 million (six months ended 30 June 2019: US$87.5 million), with a YoY growth of 91.1%, accounting for 62.6% of total revenue. Benefiting from the synergy between our game user behavior analysis platform-GameAnalytics and our advertising business, the Group fully leveraged its advantages in traffic and data within the light/ultra-light gaming category. This enabled us to capture growth opportunities from breakout gaming demand in the first half of the year, and resulted in rapid growth in the Reporting Period. In addition, in the first half of the year, in order to further expand traffic diversity within the gaming sector, the Group has been expanding actively into other gaming segments such as hardcore gaming. This enables us to cater to a border set of potential advertisers in the future.

Revenue from e-commerce category was US$50.5 million (six months ended 30 June 2019: US$35.8 million), with a YoY growth of 41.2%, accounting for 18.9% of total revenue. The increase was mainly due to an increase in e-commerce demand driven by an increase in online shopping during the Reporting Period.

Revenue from content and social category declined by 63.3% to US$17.2 million (six months ended 30 June 2019: US$47.0 million). The decline in content and social App advertising revenue is an expected result of the Group's strategic adjustment. Since the second half of 2019, the Group has adjusted its advertising strategy to lower the potential impact by business uncertainty.

Lifestyle category advertising revenue also declined during the Reporting Period. It recorded revenue of US$10.9 million (six months ended 30 June 2019: US$23.0 million), decreased by 52.7% on a YoY basis. The decline was mainly due to advertisers' advertising budget adjustment as a result of economic uncertainty.

During the Reporting Period, the Group has been consistently increasing scene coverage, actively expanding segments, refining operations of mature categories. Through integration with high-quality traffic by sharing interest with the advertisers, the Group is spontaneously gaining market share and strengthening competitive advantages, laying a solid foundation for long term development.

Cost of Sales

During the six months ended 30 June 2020, our cost of sales increased by 19.3% on a YoY basis to US$208.7 million (six months ended 30 June 2019: US$174.9 million). Such increase was primarily driven by increase in advertising revenue, reflecting higher traffic acquisition and server costs.

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

	Six months ended 30 June				
	2020		2019		
	US$'000	**% of Total Revenue**	US$'000	% of Total Revenue	**YoY Change**
Traffic acquisition costs	**196,178**	**73.5%**	166,596	74.0%	**17.8%**
Server costs	**12,481**	**4.7%**	8,351	3.7%	**49.5%**
Total mobile advertising cost	**208,659**	**78.2%**	174,947	77.7%	**19.3%**

Cost of Sales by Purchasing Model

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

	Six months ended 30 June				
	2020		2019		
	US$'000	**% of Programmatic Revenue**	US$'000	% of Programmatic Revenue	**YoY Change**
Programmatic cost	**151,994**	**79.2%**	100,901	79.6%	**50.6%**
Traffic acquisition costs	**140,761**	**73.3%**	93,803	74.0%	**50.1%**
— Traffic costs	**135,261**	**70.4%**	84,296	66.5%	**60.5%**
— Incentive plan costs	**5,500**	**2.9%**	9,507	7.5%	**-42.1%**
Server costs	**11,233**	**5.9%**	7,098	5.6%	**58.3%**

	US$'000	**% of Non-programmatic Revenue**	US$'000	% of Non-programmatic Revenue	**YoY Change**
Non-programmatic cost	**56,665**	**75.5%**	74,046	75.3%	**-23.5%**
Traffic acquisition costs	**55,417**	**73.8%**	72,793	74.0%	**-23.9%**
Server costs	**1,248**	**1.7%**	1,253	1.3%	**-0.4%**

The Group's cost of programmatic advertising in the first half year of 2020 increased by 50.6% to US$152.0 million (six months ended 30 June 2019: US$100.9 million), mainly due to the increase in traffic acquisition and server as well as adjustment of allocation between different servers.

Among them, programmatic traffic acquisition cost increased to US$140.8 million, accounting for 73.3% of programmatic advertising revenue. The increase was due to the increasing amount of programmatic traffic and the subsidies related to App developer incentive plan. The higher growth rate of programmatic traffic costs was attributed to the fluctuation of programmatic revenue structure under the current special circumstance. Besides, the Group has consistently adhered to the strategy of driving business growth with high quality traffic, and gaining unique access to premium traffic through the incentive plan by which the Group shared monetary incentive premier with App developers in exchange for the access right. During the Reporting Period, the Group's App developer incentive plan costed US$5.5 million.

In addition, programmatic server costs rose to US$11.2 million. The cost as percentage of programmatic advertising revenue rose by 0.3 pct. to 5.9% on a YoY basis. The increase was related to higher server demand due to increased request time. In addition, to ensure system stability, the Group made a few allocation adjustments and migrated some business modules between servers.

In the first half of 2020, the Group's cost of non-programmatic business decreased by 23.5% on a YoY basis to US$56.7 million (six months ended 30 June 2019: US$74.0 million), mainly due to the decrease of non-programmatic advertising revenue.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2020, the Group recorded gross profit of US$58.2 million (six months ended 30 June 2019: US$50.1 million), increased by 16.2% on a YoY basis. Our gross profit margin slightly decreased to 21.8% (six months ended 30 June 2019: 22.3%).

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

Six months ended 30 June				
2020		2019		
Gross Profit US$'000	**Gross Profit Margin %**	Gross Profit US$'000	Gross Profit Margin %	**Gross Profit YoY Change %**
58,248	**21.8%**	50,140	22.3%	**16.2%**

Gross Profit and Gross Profit Margin by Purchasing Model

During the Reporting Period, gross profit of the programmatic advertising business increased by 54.3% on a YoY basis to US$39.9 million (six months ended 30 June 2019: US$25.9 million). Gross profit margin of the programmatic advertising business slightly increased 0.4% to 20.8%. Our strategy of integration of high-quality traffic, leveraging and enriching dataset and the strength of our algorithm iteration processes allowed us to drive the budget growth from existing customers and attract business from new customers.

Gross profit of non-programmatic advertising business decreased by 24.4% on a YoY basis to US$18.4 million (six months ended 30 June 2019: US$24.3 million). Gross profit margin of non-programmatic advertising business remained relatively stable at 24.5%.

The following table sets forth our gross profit and gross profit margin from mobile advertising by purchasing model for the periods indicated:

	Six months ended 30 June				
	2020		2019		
	Gross Profit US$'000	**Gross Profit Margin %**	Gross Profit US$'000	Gross Profit Margin %	**Gross Profit YoY Change %**
Programmatic	**39,891**	**20.8%**	25,855	20.4%	**54.3%**
Non-programmatic	**18,357**	**24.5%**	24,285	24.7%	**-24.4%**
Total	**58,248**	**21.8%**	50,140	22.3%	**16.2%**

Gross Profit and Gross Profit Margin by Mobile App Category

Our gross profit was mainly derived from gaming and e-commerce which were recorded at US$34.8 million and US$11.5 million, on a YoY basis increase of 77.2% and 21.9% respectively, and together accounted for 79.4% of total gross profit. Gross profit of the other categories was decreasing, mainly due to the revenue decline of the corresponding categories. The sharp increase in gross profit from gaming has mitigated the negative impact from the other categories on overall gross profit.

During the Reporting Period, total gross profit margin decreased to 21.8% (six months ended 30 June 2019: 22.3%), with the main reason being the light/ultra-light gaming category, which had relatively low profit margin, accounted for a large proportion of total revenue.

The following table sets forth our gross profit and gross profit margin from mobile advertising by the mobile App category for the periods indicated:

	Six months ended 30 June						
	2020			2019			
	Gross Profit US$'000	Percentage of Gross Profit %	Gross Profit Margin %	Gross Profit US$'000	Percentage of Gross Profit %	Gross Profit Margin %	Gross Profit YoY Change %
Games	34,794	59.7%	20.8%	19,638	39.2%	22.5%	77.2%
E-commerce	11,468	19.7%	22.7%	9,411	18.8%	26.3%	21.9%
Content and social	3,904	6.7%	22.7%	8,589	17.1%	18.3%	-54.5%
Lifestyle	3,630	6.2%	33.4%	7,654	15.3%	33.3%	-52.6%
Utility	2,630	4.5%	26.3%	2,996	6.0%	17.9%	-12.2%
Other	1,822	3.2%	16.3%	1,852	3.6%	12.3%	-1.6%
Total	58,248	100.0%	21.8%	50,140	100.0%	22.3%	16.2%

Selling and Marketing Expenses

During the six months ended 30 June 2020, we recorded selling and marketing expenses decreased by 7.5% on a YoY basis to US$4.1 million (six months ended 30 June 2019: US$4.4 million). The decline was attributed to the internal cut-down of travel expenses and marketing expenses during the COVID-19 period.

Research and Development Expenses

During the six months ended 30 June 2020, our R&D expenses decreased by 19.5% on a YoY basis to US$13.7 million (six months ended 30 June 2019: US$17.1 million). Such decline was largely because our previous R&D investment has reached its phase achievement and entered into the R&D spending capitalization stage. If we take into account both capitalized R&D spending and expensed R&D spending, the total R&D spending would be US$24.0 million.

The Group values the power of research and technology advancement and believes that they are the core drivers of our development. To this end, we implemented share-based compensation plans for employees in R&D department. During the Reporting Period, we recorded share-based compensation attributed to R&D of US$5.9 million.

General and Administrative Expenses

During the six months ended 30 June 2020, our general and administrative expenses decreased by 5.6% on a YoY basis to US$18.2 million (six months ended 30 June 2019: US$19.3 million). In addition, during the Reporting Period, we recorded share-based compensation attributed to general and administrative expenses of US$3.4 million.

Profit from Operations

During the six months ended 30 June 2020, our operating profit increased by 67.8% on a YoY basis to US$15.6 million (six months ended 30 June 2019: US$9.3 million). If we disregard the impact from the share-based compensation expenses, the profit from operations will increased by 30.6% on a YoY basis to US$24.9 million (six months ended 30 June 2019: US$19.1 million).

Finance Costs

During the six months ended 30 June 2020, our finance costs increased by 61.6% on a YoY basis to US$1.1 million (six months ended 30 June 2019: US$0.7 million). The increase was mainly due to the loan interest incurred in newly added bank loan.

Income Tax

During the six months ended 30 June 2020, our income tax expenses increased by 36.2% on a YoY basis to US$1.4 million (six months ended 30 June 2019: US$1.0 million). The increase in income tax was mainly due to the increase in profit before taxation.

Profit for the Period Attributable to Equity Holders of the Company

During the six months ended 30 June 2020, our profit attributable to equity holders of the Company increased by 72.6% on a YoY basis to US$13.1 million (six months ended 30 June 2019: US$7.6 million).

Other Financial Information (Non-IFRS measures)

To supplement our consolidated financial statements presented in accordance with IFRS, we also use non-IFRS measures, namely EBITDA and adjusted EBITDA, as additional financial measures, which are not required by or presented in accordance with IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from 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 consolidated results of operations in the same manner as it helps our management. However, our presentation of 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 should not be considered in isolation from, or as substitute for analysis of our results of operations or financial conditions as reported under IFRS.

	Six months ended 30 June				
	2020		2019		
	US$'000	**% of Total Revenue**	US$'000	% of Total Revenue	**YoY Change**
Profit from operations	**15,627**	**5.9%**	9,314	4.2%	**67.8%**
Add back:					
Depreciation	**2,304**	**0.8%**	2,446	1.1%	**-5.8%**
Amortization	**3,093**	**1.2%**	1,430	0.6%	**116.3%**
EBITDA	**21,024**	**7.9%**	13,190	5.9%	**59.4%**
Add back:					
Share-based compensation expenses	**9,308**	**3.5%**	9,775	4.3%	**-4.8%**
Investment (gain)/loss from financial assets at fair value through profit or loss	**900**	**0.3%**	–	–	**–**
Non-IFRS measure Adjusted EBITDA	**31,232**	**11.7%**	22,965	10.2%	**36.0%**

	Six months ended 30 June				
	2020		2019		
	US$'000	**% of Total Revenue**	US$'000	% of Total Revenue	**YoY Change**
Profit for the period	**13,098**	**4.9%**	7,588	3.4%	**72.6%**
Add back:					
Share-based compensation expenses	**9,308**	**3.5%**	9,775	4.3%	**-4.8%**
Investment (gain)/loss from financial assets at fair value through profit or loss	**900**	**0.3%**	–	–	**–**
Non-IFRS measure					
Adjusted net profit	**23,306**	**8.7%**	17,363	7.7%	**34.2%**

During the Reporting Period, the Group's non-IFRS measure adjusted EBIDTA was US$31.2 million (six months ended 30 June 2019: US$23.0 million), increased by 36.0% on a YoY basis, and non-IFRS measure adjusted net profit was US$23.3 million (six months ended 30 June 2019: US$17.4 million), increased by 34.2% on a YoY basis.

The significant improvement in non-IFRS measure adjusted EBIDTA and adjusted net profit was due to the continuous revenue growth and increased operating marginal efficiency brought by the platform nature of the Group's business. Our strategy of following our business shift towards programmatic advertising means that we benefit from efficiency increases as the programmatic business grows in scale. In addition, we rely on advantages in traffic, dataset, and advanced technology to continuously improve the effects of advertising, and benefit from highly retention of existing advertisers and their budgets. In the meantime, we continue to focus on expanding the scope of current client partnerships and attracting new clients. The above efforts fueled rapid growth in programmatic advertising revenue. Besides, the platform nature of our business leads to emergence of diminishing marginal operational cost.

During the Reporting Period, the Group fully leveraged existing resources, expanded the coverage of advertising scenes, extended business scope, and continued to record rapid growth with relatively stable investment in personnel and operating resources.

Capital Structure and Gearing Ratio

The Company was incorporated in the Cayman Islands, and as at 30 June 2020 the Company's authorized share capital was US$100,000,000 divided into 10,000,000,000 shares of US$0.01 each. As at 30 June 2020, the number of issued ordinary shares of the Company was 1,534,204,000, which had been fully paid up.

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue business growth 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's gearing ratio is defined as the Group's total liabilities over its total assets. As at 30 June 2020, our total asset was US$531.6 million (31 December 2019: US$511.5 million), while our total liabilities were US$246.0 million (31 December 2019: US$245.4 million). The gearing ratio (total liabilities divided by total assets) decreased to 46.3% (31 December 2019: 48.0%).

We operate our business internationally and the major currencies of our receipt and payments are denominated in US dollars. The Group's interest rate risk arises primarily from variable rates bank loans, the effective interest rate of variable rate borrowings in 2020 is 1.55%-4.79% (2019: 3.14%-4.79%).

Financial Resources

The Company funded our cash requirement principally from capital contribution from shareholders, cash generated from our operations and bank loans. As at 30 June 2020, our cash and cash equivalents amounted to US$58.0 million (31 December 2019: 67.3 million).

Capital Expenditure

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

	Six months ended 30 June	
	2020 **US$'000**	2019 US$'000
Property, plant and equipment	**66**	615
Intangible assets and development costs	**10,248**	5,742
Total	**10,314**	6,357

Our capital expenditure primarily consisted of expenditures on (i) property, plant and equipment, and (ii) intangible assets, including developed technologies (capitalized research and development expenditures), royalties, software and trademark. As at 30 June 2020, capital expenditure increased by 62.2% to US$10.3 million (six months ended 30 June 2019: US$6.4 million), primarily due to capitalization of research and development spending.

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

There were no significant investments held, material acquisitions and disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Charges on the Group's Assets

As at 30 June 2020, none of the Group's assets were charged with any parties or financial institutions.

Material Investments or Future Plan for Major Investment

As at 30 June 2020, the Group did not hold any material investment and there was no special plan for material investments or capital assets.

Contingent Liabilities and Financial Guarantees

As at 30 June 2020, there was no contingent liability or financial guarantee granted to third parties of the Group.

Employee and Remuneration Policies

As at 30 June 2020, the Group had 18 offices around the world and had 738 full-time employees (31 December 2019: 777), primarily based in our headquarters in Guangzhou the PRC. Among all employees, 343 of them were in R&D department. R&D employees comprise of 46.5% of our full-time employees. The number of employees employed by the Group varies from time to time depending on our operation needs, and employees are remunerated based on reference to market conditions and individual employees performance, qualification and experience.

In order to nurture and retain specialist, the Group has formulated systematic recruitment procedures and offers competitive benefits and training opportunities. The remuneration policy and package of the Group's employees are reviewed periodically. Employees will be rated according to their appraisals, which in turn affect the performance bonus and share awards they will receive.

Foreign Exchange Risk Management

We operate our business internationally and the major currencies of our receipts and payments are denominated in US dollars. We are exposed to non-US dollar currencies risk primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a foreign currency. We managed foreign exchange risk by performing regular reviews of our foreign exchange exposures.

UNAUDITED INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Board of Directors of Mobvista Inc.
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 24 to 43 which comprises the consolidated statement of financial position of Mobvista Inc. (the "**Company**") as of 30 June 2020 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of 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 Hong Kong Institute of Certified Public Accountants. A review of the interim financial report 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

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

28 August 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020 — unaudited
(Expressed in United States dollar)

	Note	Six months ended 30 June 2020 US$'000	2019 US$'000
Revenue	3	**266,907**	225,087
Cost of sales		**(208,659)**	(174,947)
Gross Profit		**58,248**	50,140
Selling and marketing expenses		**(4,103)**	(4,435)
Research and development expenses		**(13,729)**	(17,051)
General and administrative expenses		**(18,220)**	(19,296)
Impairment losses on trade receivables		**(7,679)**	(1,207)
Other net income		**1,110**	1,163
Profit from operations		**15,627**	9,314
Finance costs		**(1,133)**	(701)
Profit before taxation	5	**14,494**	8,613
Income tax	6	**(1,396)**	(1,025)
Profit for the period attributable to equity shareholders of the Company		**13,098**	7,588
Earnings per share	7		
Basic		**US$0.87 cents**	US$0.52 cents
Diluted		**US$0.86 cents**	US$0.51 cents

The notes on pages 31 to 43 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 14(a).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020 — unaudited

(Expressed in United States dollar)

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
Profit for the period	**13,098**	7,588
Other comprehensive income for the period (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**47**	482
Total comprehensive income for the period attributable to equity shareholders of the Company	**13,145**	8,070

The notes on pages 31 to 43 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020 — unaudited
(Expressed in United States dollar)

	Note	At 30 June 2020 US$'000	At 31 December 2019 US$'000
Non-current assets			
Property, plant and equipment	8	6,900	8,836
Intangible assets	9	21,841	14,682
Goodwill	10	28,998	28,998
Deferred tax assets		11,626	10,102
Other financial assets		2,826	1,433
Deposits and prepayments	11	3,061	3,302
		75,252	67,353
Current assets			
Trade and other receivables	11	341,215	317,651
Restricted cash	12(a)	5,282	5,021
Cash and cash equivalents	12(b)	57,962	67,348
Other financial assets		51,606	53,796
Current tax recoverable		318	316
		456,383	444,132
Current liabilities			
Trade and other payables	13	180,431	172,871
Current tax payable		9,487	6,380
Bank loans		46,561	55,471
Lease liabilities		4,926	4,276
		241,405	238,998
Net current assets		214,978	205,134
Total assets less current liabilities		290,230	272,487

At 30 June 2020 — unaudited (continued)
(Expressed in United States dollar)

	Note	At 30 June 2020 US$'000	At 31 December 2019 US$'000
Non-current liabilities			
Deferred tax liabilities		**1,294**	1,167
Lease liabilities		**3,031**	5,137
Other non-current liabilities		**264**	143
		4,589	6,447
NET ASSETS		**285,641**	266,040
CAPITAL AND RESERVES			
Share Capital	14	**15,341**	15,341
Reserves		**270,300**	250,699
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		**285,641**	266,040

Approved and authorized for issue by the Board of Directors on 28 August 2020.

Duan Wei
Director

Cao Xiaohuan
Director

The notes on pages 31 to 43 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020 — unaudited
(Expressed in United States dollar)

	Share capital US$'000	Share premium US$'000	Capital reserve US$'000	Statutory reserve US$'000	Exchange reserve US$'000	Reserve for treasury shares US$'000	Share-based payments reserve US$'000 Note 14(b)	Retained profits US$'000	Total equity US$'000
As at 1 January 2019	15,188	139,078	36	1,177	556	(720)	17,248	59,101	231,664
Changes in equity for the period ended 30 June 2019:									
Profit for the period	–	–	–	–	–	–	–	7,588	7,588
Other comprehensive income	–	–	–	–	482	–	–	–	482
Total comprehensive income	–	–	–	–	482	–	–	7,588	8,070
Vested RSUs	–	5,862	–	–	–	119	(5,981)	–	–
Share-based compensation	–	–	–	–	–	–	9,775	–	9,775
Issuance of ordinary share in IPO over-allotment	153	7,446	–	–	–	–	–	–	7,599
As at 30 June 2019 and 1 July 2019	15,341	152,386	36	1,177	1,038	(601)	21,042	66,689	257,108
Changes in equity for the period ended 31 December 2019:									
Profit for the period	–	–	–	–	–	–	–	14,481	14,481
Other comprehensive income	–	–	–	–	21	–	–	–	21
Total comprehensive income	–	–	–	–	21	–	–	14,481	14,502
Share-based compensation	–	–	–	–	–	–	10,116	–	10,116
Appropriation to statutory reserves	–	–	–	476	–	–	–	(476)	–
Dividends declared	–	(15,686)	–	–	–	–	–	–	(15,686)
Balance at 31 December 2019	15,341	136,700	36	1,653	1,059	(601)	31,158	80,694	266,040

For the six months ended 30 June 2020 — unaudited (continued)
(Expressed in United States dollar)

	Note	Share capital US$'000	Share premium US$'000	Capital reserve US$'000	Statutory reserve US$'000	Exchange reserve US$'000	Reserve for treasury shares US$'000	Share-based payments reserve US$'000 Note 14(b)	Retained profits US$'000	Total equity US$'000
As at 1 January 2020		15,341	136,700	36	1,653	1,059	(601)	31,158	80,694	266,040
Changes in equity for the period ended 30 June 2020:										
Profit for the period		–	–	–	–	–	–	–	13,098	13,098
Other comprehensive income		–	–	–	–	47	–	–	–	47
Total comprehensive income		–	–	–	–	47	–	–	13,098	13,145
Vested RSUs	14(b)	–	17,567	–	–	–	361	(17,928)	–	-
Share-based compensation	14(b)	–	–	–	–	–	–	6,456	–	6,456
As at 30 June 2020		**15,341**	**154,267**	**36**	**1,653**	**1,106**	**(240)**	**19,686**	**93,792**	**285,641**

The notes on pages 31 to 43 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2020 — unaudited
(Expressed in United States dollar)

	Note	Six months ended 30 June 2020 US$'000	2019 US$'000
Operating activities			
Cash generated from/(used in) operations		**17,315**	(14,451)
Income tax refund/(paid)		**317**	(1,087)
Net cash generated from/(used in) operating activities		**17,632**	(15,538)
Investing activities			
Investment in other financial assets		**(1,413)**	(15,000)
Proceeds from disposal of other financial assets		**1,290**	19,500
Payment for intangible assets and development costs		**(10,248)**	(5,742)
Payment for property, plant and equipment		**(66)**	(615)
Proceeds from disposal of property, plant and equipment		**8**	—
Interest received		**—**	207
Net cash used in investing activities		**(10,429)**	(1,650)
Financing activities			
Proceeds from bank loans		**88,343**	46,451
Repayment of bank loans		**(97,253)**	(32,290)
Listing expense paid		**(4,946)**	(7,055)
Capital element of lease rentals paid		**(1,617)**	(1,765)
Interest element of lease rentals paid		**(180)**	(273)
Interest paid and other borrowing cost paid		**(830)**	(662)
Change in restricted and pledged deposits		**(261)**	(44)
Issuance of ordinary share in IPO over-allotment		**—**	7,599
Net cash (used in)/generated from financing activities		**(16,744)**	11,961
Net decrease in cash and cash equivalents		**(9,541)**	(5,227)
Cash and cash equivalents at 1 January		**67,348**	64,865
Effect of foreign exchanges rates changes		**155**	588
Cash and cash equivalents at 30 June	12	**57,962**	60,226

The notes on pages 31 to 43 form part of this interim financial report.

(Expressed in United States dollars unless otherwise indicated)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 28 August 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Mobvista Inc. (the "**Company**") and its subsidiaries (collectively, the "**Group**") since the 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG 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. KPMG's independent review report to the Board of Directors is included on page 23.

2 Changes in accounting policies

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

- Amendments to IFRS 3, Definition of a Business

- Amendment to IFRS 16, Covid-19-Related Rent Concessions

Other than the amendment to IFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

(Expressed in United States dollars unless otherwise indicated)

2 Changes in accounting policies (Continued)

Amendments to IFRS 3, *Definition of a Business*

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "**concentration test**" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020.

Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19-related rent concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The amendment is effective for annual periods beginning on or after 1 June 2020. The Group has elected to early adopt the amendments on 1 January 2020 and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the interim reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred (see Note 8(a)). There is no impact on the opening balance of equity at 1 January 2020.

None of these amendments have had a material impact on how the Group's result and financial position for the current or prior periods have been prepared or presented.

3 Revenue

The principal services of the Group are the provisions of mobile advertising services. 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 period is as follows:

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
Point in time	**266,907**	225,087

(Expressed in United States dollars unless otherwise indicated)

3 Revenue (Continued)

The amount of each significant category of revenue recognised during the period is as follows:

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
Provision of mobile advertising services	**266,907**	225,087

The Group's customer base is diversified and includes no customer with whom transactions have exceeded 10% of the Group's revenues for the six months ended 30 June 2020 (30 June 2019: Nil).

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 for six months ended 30 June	
	2020	2019
	US$'000	US$'000
China (note (i))	**80,328**	132,602
EMEA (note (ii))	**70,039**	34,288
Americas (note (iii))	**61,929**	21,347
Asia Pacific (note (iv))	**47,700**	33,567
Others	**6,911**	3,283
	266,907	225,087

Notes:

(i) Includes Mainland China, the Hong Kong Special Administrative Region of the People's Republic of China (the "**PRC**"), the Macau Special Administrative Region of the PRC and Chinese Taiwan.

(ii) Primarily includes United Kingdom, Switzerland, Germany, Russia, Greece, Iceland, Saudi Arabia, Jordan, Egypt, Iraq and Turkey.

(iii) Primarily includes United States, Canada, Mexico, Brazil, Argentina, Chile and Colombia.

(iv) Primarily includes Australia, New Zealand, Asia other than China.

(Expressed in United States dollars unless otherwise indicated)

4 Seasonality of operations

The Group generally experiences higher revenue in the fourth quarter as compared with other quarters in the year, because more revenues are generated from mobile advertising solutions in the fourth quarter of the year prior to the New Year holiday.

For the twelve months ended 30 June 2020, the Group reported revenue of US$542,077,000 (twelve months ended 30 June 2019: US$475,363,000), and gross profit of US$126,871,000 (twelve months ended 30 June 2019: US$108,760,000).

5 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
(a) Finance costs		
Interest on bank loans	**926**	388
Interest on lease liabilities	**207**	313
	1,133	701
(b) Staff costs		
Contributions to defined contribution retirement plans	**334**	1,295
Share-based compensation expenses	**9,308**	9,775
Salaries, wages and other benefits	**15,475**	18,971
	25,117	30,041
(c) Other items		
Research and development expenses	**13,729**	17,051
Interest income	**(1,115)**	(1,225)
Gain on disposal of property, plant and equipment	**(6)**	—
Net realised and unrealised losses on trading securities	**900**	—
Depreciation charge		
— owned property, plant and equipment	**156**	173
— right-of-use assets	**2,148**	2,273
Amortisation	**3,093**	1,430
Operating lease charges in respect of properties	**421**	195

(Expressed in United States dollars unless otherwise indicated)

6 Income tax

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
Current tax	**2,787**	1,244
Deferred tax	**(1,391)**	(219)
	1,396	1,025

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of US$13,098,000 (2019: US$7,588,000) and the weighted average of 1,500,087,294 ordinary shares (2019: 1,468,774,071 shares) in issue during the period, calculated as follows:

	Six months ended 30 June	
	2020	2019
Ordinary shares as at 1 January	**1,474,115,242**	1,446,866,842
Effect of vested RSUs (Note 14(b))	**25,972,052**	7,248,107
Effect of issuance of over-allotment shares	**—**	14,659,122
Weighted average number of ordinary shares as at 30 June	**1,500,087,294**	1,468,774,071

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of US$13,098,000 (2019: US$7,588,000) and the weighted average number of ordinary shares of 1,526,833,491 shares (2019: 1,485,607,516 shares) in issue adjusted for the potential dilutive effect caused by the shares granted under the share award scheme.

Weighted average number of ordinary shares (diluted)

	2020	2019
Weighted average number of ordinary shares as at 30 June	**1,500,087,294**	1,468,774,071
Effect of unvested shares under the Company's share award scheme	**26,746,197**	16,833,445
Weighted average number of ordinary shares (diluted) as at 30 June	**1,526,833,491**	1,485,607,516

(Expressed in United States dollars unless otherwise indicated)

8 Property, plant and equipment

(a) Right-of-use assets

During the six months ended 30 June 2020, the Group entered into a number of lease agreements for use of office, and therefore recognised the additions to right-of-use assets of US$315,000 (six months ended 30 June 2019: US$395,000).

During the six months ended 30 June 2020, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amount of fixed lease payments for a Singapore office building for the interim reporting period has reduced from US$10,000 to US$5,000.

As disclosed in Note 2, the Group has early adopted the Amendment to IFRS 16, Leases, Covid-19-Related Rent Concessions, and has applied the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the period.

(b) Acquisitions and disposals

During the six months ended 30 June 2020, the Group acquired computers and other office equipment with a cost of US$66,000 (six months ended 30 June 2019: US$178,000) and disposed computers and other office equipment with a net book value of US$2,000 (six months ended 30 June 2019: Nil).

9 Intangible assets

During the six months ended 30 June 2020, the Group capitalised internal development costs of approximately US$10,248,000 (six months ended 30 June 2019: US$5,733,000). The expenditure capitalised includes the direct staff costs and cloud server costs.

10 Goodwill

	30 June 2020 US$'000	31 December 2019 US$'000
Goodwill in connection with the acquisition of:		
— nativeX, LLC.	**19,981**	19,981
— Game analytics Aps	**9,017**	9,017
	28,998	28,998
Carrying amount:	**28,998**	28,998

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 2020, management did not identify any impairment indicators considering (i) the CGUs' actual financial performance for the six months ended 30 June 2020 is not inconsistent with the forecast utilised in the impairment test as of 31 December 2019; (ii) management is not aware of any significant changes that could have adverse impact on the businesses.

(Expressed in United States dollars unless otherwise indicated)

11 Trade and other receivables

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2020 US$'000	At 31 December 2019 US$'000
Within 3 months	**133,349**	128,800
3 to 6 months	**45,288**	59,700
6 to 12 months	**56,762**	29,019
Over 12 months	**5,290**	1,894
Trade Receivables, net of allowance for doubtful accounts	**240,689**	219,413
Deposits and prepayments	**11,069**	12,308
Other receivables	**92,518**	89,232
	344,276	320,953
Less: Non-current deposits and prepayments	**(3,061)**	(3,302)
	341,215	317,651

Trade receivables are mainly due within 90-150 days from the date of revenue recognition.

(Expressed in United States dollars unless otherwise indicated)

12 Cash and bank balances

(a) Restricted cash

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the consolidated statement of financial position, and is not included in the total cash and cash equivalents in the condensed consolidated cash flow statement.

	At 30 June 2020 US$'000	At 31 December 2019 US$'000
Term deposits pledged for bank borrowings	**4,336**	4,165
Other deposits in banks	**946**	856
	5,282	5,021

(b) Cash and cash equivalents

	At 30 June 2020 US$'000	At 31 December 2019 US$'000
Cash at bank and in hand	**57,962**	67,348

(Expressed in United States dollars unless otherwise indicated)

13 Trade and other payables

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2020 US$'000	At 31 December 2019 US$'000
Within 1 month	**45,198**	38,081
1 to 2 months	**41,825**	36,420
2 to 3 months	**28,985**	29,473
3 to 6 months	**33,620**	33,773
Over 6 months	**7,110**	6,975
Trade payables	**156,738**	144,722
Amounts due to related parties	**193**	193
Other payables	**6,353**	10,687
Receipt in advance	**9,990**	8,601
Staff costs payable	**4,666**	6,358
VAT and other tax payables	**2,491**	2,310
	180,431	172,871

14 Capital, reserves and dividends

(a) Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

(Expressed in United States dollars unless otherwise indicated)

14 Capital, reserves and dividends (Continued)

(b) Share-based transactions

The Company has adopted the Employee RSU Scheme on 27 September 2018 and amended on 19 November 2018, and has adopted the Management RSU Scheme on 19 November 2018 (collectively the "**2018 Scheme**"). The 2018 Scheme is for the purposes of incentivise directors, senior management, employees and consultants 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. Two trusts have been set up to assist the Board of Directors with the administration and vesting of RSUs granted pursuant to the 2018 Scheme (the "**RSU trustees**"). During the six months ended 30 June 2020, 34,044,540 RSUs were vested and became ordinary shares under 2018 Scheme.

On 31 January 2020, share based incentive with cash settlement option (the "2020 Scheme") was granted to certain employees of a subsidiary. Employees fulfilled service conditions will be entitled to receive payment in cash, as well as a number of shares of the Company equivalent to US$1,980,000 determined by the closing market price of the shares on the vesting date.

During the six months ended 30 June 2020, US$2,851,000 were paid to employees in cash and 1,996,200 shares of the Company with identical market value were vested under 2020 Scheme, which were credited from treasury shares held by the RSU trustees.

Movements in the number of RSUs granted to the Group's directors, senior management, employees and consultants 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 2020	52,394,800	0.49
Granted during six months ended 30 June 2020	11,211,683	0.55
Forfeited during six months ended 30 June 2020	(6,640,700)	0.51
Vested during six months ended 30 June 2020	(36,040,740)	0.50
Outstanding as of 30 June 2020	20,925,043	

During the six months ended 30 June 2020, total number of 36,040,740 RSUs were vested and became ordinary shares. Share-based payments reserves of US$17,567,000 were transferred to share premium.

(Expressed in United States dollars unless otherwise indicated)

15 Fair value measurement of financial instruments

(a) Financial assets measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period 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.

30 June 2020

	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
Assets				
Financial asset at FVPL	**1,106**	**2,826**	**50,500**	**54,432**

31 December 2019

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Assets				
Financial asset at FVPL	3,296	1,433	50,500	55,229

During the six months ended 30 June 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2019: Nil).

(Expressed in United States dollars unless otherwise indicated)

15 Fair value measurement of financial instruments (Continued)

(a) Financial assets measured at fair value (Continued)

(ii) Information about level 3 fair value measurements

	Valuation techniques	Significant Unobservable Inputs	Significant Unobservable Range	Weighted average
As at 30 June 2020				
Financial asset at FVPL				
– wealth management product	discounted cash flow	bond yield rate	2020: 4%–8% (2019: 4%–8%)	2020: 6% (2019: 6%)

The fair value of wealth management product is determined using the discounted cash flow and the significant unobservable input used in the fair value measurement is the bond yield rate. The fair value measurement is positively correlated to the bond yield rate. As at 30 June 2020, 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$303,000.

(b) 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 30 June 2020 because of the short-term maturities of all these financial instruments.

16 Material related party transactions

(a) Transactions and balances with related parties

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the lease of an office premise (as lessee) with related parties since December 2018. During the six months ended 30 June 2020, interest expenses amounted to US$119,000 and depreciation of right-of-use assets amounted to US$1,323,000 are charged to statements of profit and loss. As at 30 June 2020, lease liabilities due to related parties amounted to US$4,403,000.

(Expressed in United States dollars unless otherwise indicated)

16 Material related party transactions (Continued)

(b) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees is as follows:

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
Short-term employee benefits	**290**	405
Share-based compensation expenses	**567**	2,836
Contributions to retirement benefit scheme	**9**	26
	866	3,267

17 Impacts of COVID-19 pandemic

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position. The global travel restriction caused by the pandemic did not have significant negative impact on the Group's business for the period as the majority of our operation was carried out online. The Group will keep monitoring the impact of the developments on the Group's business and has put in place all necessary contingency measures. The contingency measures which have been put in place include but not limited to: negotiating repayment schedule of some debtors, assessing our suppliers' readiness, continually monitoring oversea offices' daily operation and strengthening cost control. As far as the Group's businesses are concerned, the COVID-19 pandemic has not caused significant impacts on the Group's operation results and financial position for the period.

OTHER INFORMATION

DIRECTORS

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

EXECUTIVE DIRECTORS

Mr. DUAN Wei, *(chairman and chief executive officer)*
Mr. CAO Xiaohuan, *(president)*
Mr. FANG Zikai

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YING Lei
Mr. HU Jie
Mr. WANG Jianxin *(resigned on 7 July 2020)*
Mr. SUN Hongbin *(appointed on 7 July 2020)*

CHANGE IN INFORMATION IN RESPECT OF DIRECTORS

During the Reporting Period and up to the date of this Interim Report, the Directors confirmed that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2020, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Interest in Shares

Name of Director	Nature of Interest	Number of ordinary shares interested	Number of underlying shares held	Total	Approximate percentage of the Company's issued share capital
Mr. DUAN Wei[1]	Interest in controlled corporation	1,127,999,842 (L)[2]	–	1,127,999,842	73.52%
Mr. CAO Xiaohuan	Beneficial owner	2,875,000 (L)	–	2,875,000	0.19%
Mr. FANG Zikai	Beneficial owner	2,818,300 (L)	450,800	3,269,100	0.21%

Note:

(1) Guangzhou Mobvista, through its wholly-owned subsidiary Seamless, holds 1,127,999,842 Share of our Company, representing 73.52% of total number of Shares. Mr. Duan, Guangzhou Huimao, and Horgos Duanshi Pearl River Equity Investment Co., Ltd. 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 Huimaos 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.

(2) L: Long Position

(b) Interest in associated corporation

Name of Director	Associated Corporation	Registered capital of the associated corporation	Nature of interests	Number of shares	Approximate percentage of shareholding in the associated corporation
Mr. DUAN Wei[1]	Guangzhou Mobvista	RMB372,644,072	Beneficial owner	48,207,872 (L)[3]	12.94%
		RMB372,644,072	Interest in controlled corporation	82,625,776 (L)	22.17%
Mr. CAO Xiaohuan[2]	Guangzhou Mobvista	RMB372,644,072	Beneficial owner	2,410,496 (L)	0.65%
		RMB372,644,072	Interest in controlled corporation	16,575,860 (L)	4.45%

Notes:

(1) Mr. Duan, Guangzhou Huimao, and Horgos Duanshi Pearl River Equity Investment Co., Ltd. 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. and Guangzhou Huiqian directly holds 0.65%, 1.28% and 3.17% interest in Guangzhou Mobvista, respectively. Horgos Huichun Equity Investment Co., Ltd. is a company wholly-owned by Mr. Cao. 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. (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) L: Long Position

SUBSTANTIAL SHAREHOLDERS INTERESTS IN SECURITIES

As at 30 June 2020, the following persons will have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 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 and are therefore regarded as substantial shareholders of our Company under the Listing Rules:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares held	Approximate percentage of shareholding in our company
Seamless[(1)]	Beneficial owner	1,127,999,842 (L)[(3)]	73.52%
Guangzhou Mobvista[(1)]	Interest in controlled corporation	1,127,999,842 (L)	73.52%
Mr. DUAN Wei[(2)]	Interest in controlled corporation	1,127,999,842 (L)	73.52%

Notes:

(1) Seamless holds 1,127,999,842 shares in the Company, representing 73.52% of the issued shares. 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. 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 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.

(3) L: Long Position

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

RSU SCHEMES

(a) Employee RSU Scheme

We adopted the Employee RSU Scheme on 27 September 2018 and amended on 19 November 2018 to incentivize employees and consultants. The Company has appointed Sovereign Trustees Limited as the Employee RSU Trustee to assist with the administration and vesting of RSUs granted pursuant to the Employee RSU Scheme. The Company selects the Employee RSU Participants under the RSU Scheme at its discretion.

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

As of 30 June 2020, RSUs in respect of 66,687,783 underlying Shares representing approximately 4.35% of the total issued shares had been granted to RSU Participants pursuant to the Employee RSU Scheme. None of the grantees of the RSUs under the Employee RSU Scheme are Directors, members of the senior management of the Company or otherwise core connected person(s) of the Company.

As of 30 June 2020, here below are the details of the RSUs granted and outstanding under the Employee RSU Scheme:

Name of grantees of RSUs	Number of Shares underlying RSUs outstanding at 1 January 2020	RSUs granted during the period from 1 January 2020 to 30 June 2020	RSUs vested during the period from 1 January 2020 to 30 June 2020	RSUs lapsed during the period from 1 January 2020 to 30 June 2020	RSUs cancelled during the period from 1 January 2020 to 30 June 2020	Number of Shares underlying RSUs outstanding at 30 June 2020
employees, and consultants[1]	46,072,800	11,211,683[2]	31,539,740[2]	6,640,700	–	19,104,043

Note :

(1) Other than Directors, member of the senior management of the Company or core connected person of the Company, comprised 234 employees and 16 consultants as at 1 January 2020 and comprised 269 employees and 24 consultants as at 30 June 2020.

(2) During the six months ended 30 June 2020, 1,996,200 Shares under the Employee RSU Scheme were used to settle the entitlement pursuant to an equity incentive plan of a subsidiary of the Company and those Shares were vested to certain employees of such subsidiary.

(b) Management RSU Scheme

We adopted the Management RSU Scheme on 19 November 2018 to incentivize Directors, senior management, officers and consultants of the Company or its subsidiaries for their contribution to the Group. The Company has appointed Sovereign Fiduciaries (Hong Kong) Limited as the Management RSU Trustee to assist with the administration and vesting of RSUs granted pursuant to the Management RSU Scheme. Connected Globe Holdings Limited (a wholly-owned subsidiary of the Management RSU Trustee) holds and manages shares underlying the RSUs for the benefit of eligible participants pursuant to the Management RSU Scheme.

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 21 November 2018.

As at 30 June 2020, RSUs in respect of 11,150,300 underlying Shares, representing approximately 0.73% of the total issued shares, had been granted to Management RSU Participants pursuant to the Management RSU Scheme. Details of which are set out in the table below.

Name of grantees of RSUs	Number of Shares underlying RSUs outstanding at 1 January 2020	RSUs granted during the period from 1 January 2020 to 30 June 2020	RSUs vested during the period from 1 January 2020 to 30 June 2020	RSUs lapsed during the period from 1 January 2020 to 30 June 2020	RSUs cancelled during the period form 1 January 2020 to 30 June 2020	Number of Shares underlying RSUs outstanding at 30 June 2020
Director						
FANG Zikai	1,416,900	–	966,100	–	–	450,800
Senior management	4,905,100	–	3,534,900	–	–	1,370,200
Total[1]	6,322,000	–	4,501,000	–	–	1,821,000

Notes:

(1) Comprised 1 Director, 3 members of the senior management (including the entity(ies) wholly-owned by the relevant grantees) and 1 ex-member of the senior management.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved and adopted by our Shareholders on 30 October 2018, and became effective on the Listing Date. The purpose of the Share Option Scheme is to 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.

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, 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.

During the Reporting Period, no share option was granted under the Share Option Scheme and no share option has been granted since the Listing Date. Accordingly, there was no outstanding share option as at the date of the Latest Practicable Date.

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

1) Eligible persons

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

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

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes (if any) of our Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date (the "**Scheme Mandate Limit**"). As at date of this interim report, the total number of Shares available for issue under the Share Option Scheme is 151,886,700 shares, representing approximately 9.9% of the shares in issue (i.e. 1,534,204,000 Shares) as at the date of this interim report.

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

At any time, the maximum number of Shares which may be issued upon the exercise of all outstanding options which have been granted and not yet exercised under the Share Option Scheme and any Other Schemes of our Company to Eligible Persons must not exceed 30% of the total number of Shares in issue from time to time.

The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or independent financial adviser appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of our Company whether by way of capitalization of profits or reserves, right issue, consolidation or subdivision of shares, or reduction of the share capital of our Company provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction.

3) *Maximum entitlement of each individual*

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

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

4) *Option Period*

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

5) *Minimum Period for which an Option must be held before it can be exercised*

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

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

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and 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 which has not been accepted within this period shall lapse.

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

7) ***Basis of determining the exercise price***

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

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

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

(iii) the nominal value of Shares.

8) ***Remaining life of the Share Option Scheme***

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after the period of which no further options will be granted but the provisions of the Share Option Schemes 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.

PRINCIPAL OPERATING ACTIVITIES

The Company was incorporated in the Cayman Islands on 16 April 2018 as an exempted company with limited liability under the Company Law of the Cayman Islands. We are a leading technology platform providing mobile advertising and mobile analytics services to the mobile app developers globally.

An analysis of the Group's revenue and operating profit for the period by principal activities is set out in the section headed "Management Discussion and Analysis" on pages 11 to 22 in this interim report and note 3 to the financial statement.

RESULTS

The financial results of the Group for the six months ended 30 June 2020 are set out on pages 24 to 43 of this interim report.

INTERIM DIVIDENDS AND DIVIDENDS POLICY

Under the Articles of Association, our Company in general meeting may declare dividends in any currency to be paid to our shareholders, provide 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 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 period 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.

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2020 (30 June 2019: nil but a special dividend of HK$0.08 per share was paid on in August 2019).

MAJOR CUSTOMERS AND SUPPLIERS

During the six months ended 30 June 2020, the Group's five largest customers in aggregate accounted for approximately 22.6% of the Group's total revenue. The Group's largest customer accounted for 6.4% of the Group's total revenue.

During the six months ended 30 June 2020, the Group's five largest suppliers in aggregate accounted for approximately 27.0% of the Group's total purchase. The Group's largest supplier accounted for 7.4% of the Group's total purchase.

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

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The shares of the Company were listed on the Main Board of the Stock Exchange on 12 December 2018 by way of global offering. The total net proceeds including the partial exercise of the over-allotment option was approximately US$154.20 million.

The following table sets out the breakdown of the use of proceeds from the global offering as at 30 June 2020:

Purpose of Net Proceeds	Amount Allocated (US$'000,000)	Amount Utilized (US$'000,000)	Balance (US$'000,000)
1 Big data and AI technologies and IT infrastructure	46.26	15.15	31.11
2 Improvement of services on our mobile advertising and mobile analytics platform	46.26	15.54	30.72
3 Implement our "Glocal" strategy by enhancing our local service capabilities and expanding our global footprint	15.42	4.36	11.06
4 Strategic investments and acquisitions	30.84	1.30	29.54
5 General working capital	15.42	1.63	13.79
Total of net proceeds	154.20	37.98	116.22

During the Reporting Period, the Group followed the plan for the use of proceeds as set out in the Prospectus of the Company and expects to utilize the balance of the proceeds of approximately US$116.22 million in the next 1.5 years.

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

Neither the Company nor any of the Group's subsidiaries had purchased, sold or redeemed any of the Company's shares during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee, together with the external auditor, have reviewed the Group's unaudited Interim Financial Statement for the six months ended 30 June 2020. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

The Audit Committee was satisfied that the Company's unaudited financial information was prepared in accordance with the applicable accounting standards.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standard of corporate governance to safeguard the interest of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules.

Pursuant to A.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and performed by the different individual.

Mr. DUAN Wei is the chairman of the 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 has been an instrumental part of 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 management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experienced and high-caliber individuals.

Save as the above, the Company has applied the principles and code provision as set out in the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct. Having made specific enquiry of all Directors, each of the Directors has complied with the required standards as set out in the Model Code during the Reporting Period.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company during the six months ended 30 June 2020.

PUBLIC FLOAT

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

SUBSEQUENT EVENTS

There has been no material subsequent event after 30 June 2020.

"Articles or Articles of Association"	the articles of association of our Company as amended from time to time
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"CCPA"	California Consumer Privacy Act
"CG Code" or "Corporate Governance Code"	the "Corporate Governance Code" as contained in Appendix 14 to the Listing Rules
"China", "PRC" or "Mainland China"	the Peoples Republic of China, which for the purpose of this period report only, excludes Hong Kong, Macau and Taiwan
"COPPA"	Children's Online Privacy Protection Act
"Companies Law"	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Company", "our Company", "the Company" or "Mobvista"	Mobvista Inc. (匯量科技有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 16 April 2018
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Seamless, Guangzhou Mobvista and Mr. Duan
"Director(s)"	the director(s) of our Company or any one of them
"Employee RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by our Board on 27 September 2018 and amended on 19 November 2018
"FVPL"	fair value through profit or loss
"GDPR"	the General Data Protection Regulation
"Guangzhou Mobvista"	Mobvista Co., Ltd.* (廣州匯量網絡科技股份有限公司), a company established in the PRC as a joint stock limited company on 15 July 2015 through conversion from a limited liability company (i.e. Guangzhou Huitao)
"Group", "our Group", or "the Group"	the Company and its subsidiaries from time to time

"Game Analytics", or "GA"	Game Analytics ApS, a Denmark-based company that operates a SaaS game data analytics platform for game developers
"Guangzhou Huimao"	Guangzhou Huimao Investment Management Center (Limited Partnership) a partnership established in the PRC on 13 May 2015 and controlled by Mr. Duan
"Guangzhou Huiqian"	Guangzhou Huiqian Investment Management Centre (Limited Partnership) a partnership established in the PRC on 23 November 2015 and controlled by Mr. Cao
"Guangzhou Huisui"	Guangzhou Huisui Investment Management Co., Ltd., a company established in the PRC with limited liabilities on 8 May 2015 and is owned by Mr. Duan as to 95%
"Hong Kong"	the Hong Kong Special Administrative Region of the Peoples Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"IAB Tech Lab"	IAB Technology Laboratory
"IFRS"	the International Financial Reporting Standards, amendments and interpretation issued from time to time by the International Accounting Standards Board
"Latest Practicable Date"	22 September 2020, the latest date prior to the printing of this interim report for ascertaining certain information in this interim report
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	12 December 2018, the date on which the Company was listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Management RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by our Board on 19 November 2018
"Mobvista Technology"	Mobvista (Guangzhou) Technology Limited, a company established in the PRC with limited liability on 2 April 2015 and an indirect wholly-owned subsidiary of our Company

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Mr. CAO"	Mr. CAO Xiaohuan, one of our co-founders, an executive Director and the president of our Company
"Mr. DUAN"	Mr. DUAN Wei, our chairman, one of our co-founders, an executive Director and the chief executive officer of our Company
"Mr. FANG"	Mr. FANG Zikai, an executive Director and the chief product officer of our Company
"Nomination Committee"	the nomination committee of the Company
"programmatic advertising"	the automatic buying and selling of ad inventories and automatic ad delivery through SDK or API
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	from 1 January 2020 to 30 June 2020
"RMB"	Renminbi yuan, the lawful currency of China
"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
"Seamless"	Seamless Technology Limited, a business company incorporated in the BVI with limited liability on 24 November 2014 and wholly-owned by Guangzhou Mobvista Seamless Technology Limited
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.01 each
"Shareholder(s)"	holder(s) of the Share(s)
"Share Option Scheme"	the Share Option Scheme we conditionally adopted pursuant to a resolution passed by our Shareholders on 30 October 2018
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed thereto in the Listing Rules

“SOC2”	the Service Organization Control 2, the International Standard Assurance Engagement 3000 stipulates that the internal control system of a service organization is a policy and program designed, implemented and recorded by the management to provide the service described in such service organization control report to the user entities
“U.S. dollars” or “US$”	United States dollars, the lawful currency of the United States
“We”, “us” or “our”	our Company or our Group, as the context may require
“%”	per cent