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## Vobile Group Limited

阜博集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3738)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

#### FINANCIAL HIGHLIGHTS

##### Consolidated Statement of Profit or Loss and Other Comprehensive Income Highlights

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
Revenue	<b>686,528</b>	340,294
Gross profit	<b>348,771</b>	165,564
(Loss)/profit before tax	<b>(14,876)</b>	67,138
(Loss)/profit for the year attributable to owners of the Company	<b>(22,677)</b>	81,187
Adjusted Net Profit/(Loss)	<b>63,600</b>	(33,286)
Non-IFRS Adjusted EBITDA	<b><u>113,474</u></b>	<b><u>20,343</u></b>

##### Consolidated Statement of Financial Position Highlights

	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
Total assets	<b>1,770,150</b>	1,153,538
Total liabilities	<b>233,827</b>	364,672
Net assets	<b>1,536,323</b>	788,866
Total equity	<b><u>1,536,323</u></b>	<b><u>788,866</u></b>

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020 as set out below.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
<b>REVENUE</b>	4	<b>686,528</b>	340,294
Cost of services provided		<u>(337,757)</u>	<u>(174,730)</u>
Gross profit		<b>348,771</b>	165,564
Other income and gains	4	<b>5,516</b>	142,473
Selling and marketing expenses		<b>(97,862)</b>	(74,762)
Administrative expenses		<b>(128,840)</b>	(58,200)
Research and development expenses		<b>(111,840)</b>	(52,488)
Finance costs	6	<b>(20,174)</b>	(50,194)
Share of losses of an associate		<b>(108)</b>	—
Other expenses		<u>(10,339)</u>	<u>(5,255)</u>
<b>(LOSS)/PROFIT BEFORE TAX</b>	5	<b>(14,876)</b>	67,138
Income tax (expense)/credit	7	<u>(7,801)</u>	<u>14,049</u>
<b>(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<u><b>(22,677)</b></u>	<u>81,187</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>12,706</u>	<u>2,577</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u><b>12,706</b></u>	<u>2,577</u>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<u><b>(9,971)</b></u>	<u>83,764</u>
<b>(LOSS)/EARNINGS PER SHARE</b>			
Basic			
— for (loss)/profit for the year (HK\$)	9	<u><b>(0.0119)</b></u>	<u>0.0474</u>
Diluted			
— for (loss)/profit for the year (HK\$)	9	<u><b>(0.0119)</b></u>	<u>0.0459</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>26,190</b>	1,538
Investment properties	<i>10</i>	<b>45,328</b>	—
Right-of-use assets		<b>23,239</b>	22,424
Goodwill		<b>607,297</b>	603,820
Other intangible assets		<b>111,449</b>	81,150
Financial assets at fair value through profit or loss	<i>11</i>	<b>48,316</b>	—
Deferred tax assets		<b>83,603</b>	62,242
Prepayments and deposits		<b>1,986</b>	1,194
<b>Total non-current assets</b>		<b><u>947,408</u></b>	<u>772,368</u>
<b>CURRENT ASSETS</b>			
Trade receivables	<i>12</i>	<b>269,637</b>	69,518
Prepayments, other receivables and other assets		<b>50,877</b>	47,942
Tax recoverable		<b>5,363</b>	1,348
Cash and cash equivalents		<b>496,865</b>	262,362
<b>Total current assets</b>		<b><u>822,742</u></b>	<u>381,170</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>13</i>	<b>136,218</b>	50,961
Other payables and accruals		<b>25,709</b>	38,706
Lease liabilities		<b>9,473</b>	8,117
Tax payable		<b>20,094</b>	—
<b>Total current liabilities</b>		<b><u>191,494</u></b>	<u>97,784</u>
<b>NET CURRENT ASSETS</b>		<b><u>631,248</u></b>	<u>283,386</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>1,578,656</u></b>	<u>1,055,754</u>
<b>NON-CURRENT LIABILITIES</b>			
Convertible bonds	<i>14</i>	—	82,975
Interest-bearing borrowings		—	155,050
Lease liabilities		<b>14,790</b>	14,846
Deferred tax liabilities		<b>27,543</b>	14,017
<b>Total non-current liabilities</b>		<b><u>42,333</u></b>	<u>266,888</u>
<b>Net assets</b>		<b><u>1,536,323</u></b>	<u>788,866</u>

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
<b>EQUITY</b>			
Share capital	<i>15</i>	<b>417</b>	359
Treasury shares		<b>(62,437)</b>	(21,984)
Equity component of convertible bonds		<b>—</b>	11,590
Reserves		<b><u>1,598,343</u></b>	<u>798,901</u>
<b>Total equity</b>		<b><u><u>1,536,323</u></u></b>	<u><u>788,866</u></u>



### 3 OPERATING SEGMENT INFORMATION

For management purposes, the Group had only one reportable operating segment, which was offering SaaS to help content owners protect their content from unauthorised use, measure the viewership of their content, and monetize their content during the year. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

#### Geographical information

(a) *Revenue from external customers*

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
United States	515,209	320,159
Mainland China	166,161	11,417
Japan	4,446	8,059
Other countries/regions	<u>712</u>	<u>659</u>
	<u><b>686,528</b></u>	<u><b>340,294</b></u>

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
United States	642,253	637,161
Mainland China	147,215	48,470
Other countries/regions	<u>26,021</u>	<u>24,495</u>
	<u><b>815,489</b></u>	<u><b>710,126</b></u>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

### Information about major customers

Revenue derived from sales to major customers, including sales to group of entities which are known to be under common control with those customers, which accounted for 10% or more of the Group's revenue for the year ended 31 December 2021 is as follows:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Customer A	<b>210,408</b>	—*
Customer B	<b>111,648</b>	—*

\* Revenue derived from these customers did not exceed 10% or the Group's revenue for the year ended 31 December 2020.

### 4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the value of services rendered during the year.

An analysis of revenue and other income and gains is as follows:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
<i>Revenue from contracts with customers</i>		
Rendering of services	<b>686,528</b>	340,294

#### Revenue from contracts with customers

##### (i) *Disaggregated revenue information*

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
<b>Timing of revenue recognition</b>		
Services transferred overtime	<b>686,528</b>	340,294

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Rendering of services	<u><b>395</b></u>	<u>4,096</u>

**(ii) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Rendering of services*

The performance obligation is satisfied over time as services are rendered and advance payments are sometimes received for certain services. For other SaaS services, payment is generally due within 30 days.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Within one year	<u><b>2,409</b></u>	<u>395</u>

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)

**Other income and gains**

Fair value gain on other liabilities measured at FVTPL	—	138,467
Fair value gain on investment properties	<b>447</b>	—
Bank interest income	<b>1,615</b>	209
Foreign exchange gains	<b>3,070</b>	2,962
Others	<u><b>384</b></u>	<u>835</u>
	<u><b>5,516</b></u>	<u>142,473</u>

\* As of 1 January 2020, the fair value of contingent consideration payable amounted to HK\$138,467,000. As the Acquired Business did not meet the earn-out criteria specified in the asset purchase agreement, the Company trued down the fair value of the contingent consideration payable accordingly in 2020.

## 5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Cost of services provided	337,757	174,730
Employee benefit expense (including Directors' and chief executive's remuneration):		
Wages and salaries	123,822	88,508
Equity-settled share compensation expense	67,387	23,994
Other benefits	4,962	2,404
Pension scheme contributions	<u>1,112</u>	<u>147</u>
	197,283	115,053
Depreciation of items of property, plant and equipment	1,028	1,399
Depreciation of right-of-use assets	10,676	10,716
Amortisation of intangible assets	11,745	5,715
Lease payments not included in the measurement of lease liabilities	1,506	2,823
Impairment/(reversal of impairment) of trade receivables, net	65	(240)
Research and development expenses	111,840	52,488
Auditor's remuneration	3,580	2,451
Audit service fee for a proposed acquisition	3,200	—
Bank interest income	(1,615)	(209)
Changes in fair value of investment properties	(447)	—
Changes in fair value of financial assets at FVTPL	5,075	—
Foreign exchange differences, net	<u>(2,608)</u>	<u>(574)</u>

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Interest on other borrowings (including convertible bonds)	19,297	49,341
Nominal interest on lease liabilities	<u>877</u>	<u>853</u>
	<u>20,174</u>	<u>50,194</u>

## 7. INCOME TAX EXPENSE/(CREDIT)

Income tax consists primarily of United States, Mainland China, Hong Kong and Japan enterprise income tax charged on the Group. United States income tax applicable to the Group is charged at the federal tax rate of 21% (2020: 21%) for the year ended 31 December 2021. The income tax applicable to profits arising in Hong Kong was provided at a statutory tax rate of 16.5% during the year ended 31 December 2021. The income tax applicable to profits arising in Mainland China was provided at a statutory tax rate of 25% during the year ended 31 December 2021 except for certain subsidiaries of the Group in Mainland China, that were accredited as a “High and New Technology Enterprise” and entitled to a preferential rate is 15% in 2020 to 2023. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The major components of income tax expense/(credit) for the year are as follows:

	2021 HK\$'000	2020 HK\$'000 (Restated)
Current — United States		
Charge for the year	2,052	31
Current — Mainland China		
Charge for the year	13,572	1,048
Current — Hong Kong		
Charge for the year	—	8
Current — Japan		
Charge for the year	12	26
Deferred tax expenses	<u>(7,835)</u>	<u>(15,162)</u>
Total tax expense/(credit) for the year	<u><u>7,801</u></u>	<u><u>(14,049)</u></u>

## 8. DIVIDENDS

The Board does not recommend payment of any dividend for the year ended 31 December 2021 (2020: Nil).

## 9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,913,425,080 (2020: 1,714,536,088) in issue during the year, as adjusted to reflect the share subdivision, share allotment for consideration settlement, issue of shares and exercise of share options during the year.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the years ended 31 December 2021 in respect of a dilution as the impact of the share option scheme and convertible bonds outstanding had an anti-dilutive effect on the basic (loss)/earnings per share amounts presented. The calculation of the diluted earnings per share amounts for the year ended 31 December 2020 is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of (loss)/earnings per share attributable to ordinary equity holders of the Company for each of the years ended 31 December 2021 and 2020 are based on the following data:

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
		(Restated)
<b>(Loss)/profit</b>		
(Loss)/profit attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	<b>(22,677)</b>	81,187
Interest on convertible bonds	<u>—</u>	<u>7,275</u>
(Loss)/profit attributable to ordinary equity holders of the Company before interest on convertible bond	<u><b>(22,677)</b></u>	<u>88,462</u>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation	<b>1,913,425,080</b>	1,714,536,088
Effect of dilution — Weighted average number of ordinary shares:		
Share options	<b>199,618,465</b>	56,111,768
Convertible bonds	<u>—</u>	<u>70,880,912</u>
Weighted average number of ordinary share options for the purpose of diluted earnings per share calculation	<u><b>2,113,043,545</b></u>	<u>1,841,528,768*</u>

\* The number of issued shares and the number of share interested were increase due to the share subdivision of every one share of par value of US\$0.0001 of the Company into four subdivided shares of US\$0.000025 each becoming effective on 15 July 2021. Therefore, the number of shares used in the calculation for the year ended 31 December 2020 was adjusted.

## 10. INVESTMENT PROPERTIES

HK\$'000

Carrying amount at 1 January 2020, 31 December 2020 and 1 January 2021	—
Additions	44,881
Net gain from a fair value adjustment	<u>447</u>
Carrying amount at 31 December	<u><u>45,328</u></u>

The Group acquired investment properties under construction amounted to HK\$44,881,000 which will be held under leasehold interests to earn rentals after completion are measured using the fair value model, and are classified and accounted for as investment properties. The fair value as at 31 December 2021 assessed by the third-party amounted to HK\$45,328,000. In determining the fair value of the relevant investment properties, the Group engages in independent professional property valuers to perform the valuation. The management works closely with the independent professional property valuers to establish the appropriate valuation techniques and inputs to the model. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management reports the valuation report and findings to the Board of Directors of the Group yearly to explain the cause of fluctuations in the fair value of the investment properties.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	HK\$'000	HK\$'000
Unlisted investments, at fair value	<u>48,316</u>	<u>—</u>

The above equity investments were classified as financial assets at FVTPL as the Group has not elected to recognise the fair value gain or loss through other comprehensive income. The above unlisted investments were asset management schemes managed by non-bank financial institutions.

## 12. TRADE RECEIVABLES

	2021	2020
	HK\$'000	HK\$'000
Trade receivables	269,756	69,572
Impairment	<u>(119)</u>	<u>(54)</u>
	<u><u>269,637</u></u>	<u><u>69,518</u></u>

The Group's trading terms with its debtors are usually 10 to 180 days. The Group always recognises lifetime expected credit losses ("ECL") for all trade receivables and measures the lifetime ECL on a specific basis according to management's assessment of the recoverability of an individual receivable. Management considers the number of days that an individual receivable is outstanding, historical experience and forward-looking information to determine the recoverability of the trade receivable. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are unsecured and non-interest-bearing.

An ageing analysis of the current trade receivables as at 31 December 2021, based on the invoice date and net of loss allowance, is as follows:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Within 90 days	<b>244,708</b>	56,362
91 to 180 days	<b>21,198</b>	8,163
181 to 365 days	<b>3,708</b>	3,543
Over 365 days	<b>23</b>	1,450
	<b><u>269,637</u></b>	<b><u>69,518</u></b>

The movements in loss allowance for impairment of trade receivables are as follows:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
At beginning of year	<b>54</b>	294
Impairment/(reversal of impairment) of trade receivables, net	<b>65</b>	(240)
At end of year	<b><u>119</u></b>	<b><u>54</u></b>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

*As at 31 December 2021*

	Current	Past due			Total
		Less than 3 months	3 to 6 months	Over 6 months	
Expected credit loss rate	0.04%	0.40%	5.56%	6.67%	0.04%
Gross carrying amount (HK\$'000)	265,980	3,728	18	30	269,756
Expected credit losses (HK\$'000)	101	15	1	2	119

*As at 31 December 2020*

	Current	Past due			Total
		Less than 3 months	3 to 6 months	Over 6 months	
Expected credit loss rate	0.02%	0.04%	0.43%	0.62%	0.08%
Gross carrying amount (HK\$'000) (Restated)	41,484	21,234	1,861	4,993	69,572
Expected credit losses (HK\$'000) (Restated)	7	8	8	31	54

### 13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2021 HK\$'000	2020 HK\$'000 (Restated)
Within 90 days	89,870	46,635
90 to 180 days	36,666	2,093
Over 180 days	<u>9,682</u>	<u>2,233</u>
	<u><u>136,218</u></u>	<u><u>50,961</u></u>

The trade payables are non-interest-bearing and are normally settled on 30 to 90 day terms.

### 14. CONVERTIBLE BONDS

On 14 July 2020, the Company issued two series of convertible bonds in the aggregate principal amount of HK\$100,000,000 to the Bondholder. The Series One Convertible Bonds with principal amount of HK\$80,000,000 have an initial conversion price of HK\$2.58 per Share. The Series Two Convertible Bonds with principal amount of HK\$20,000,000 have an initial conversion price of HK\$2.80 per Share. Both Series One Convertible Bonds and Series Two Convertible Bonds are convertible into Shares of the Company. The convertible bonds bear simple interest on their outstanding principal amount at the rate of 5% per annum, payable semi-annually in arrears, and will mature on the two years from the issue date. The annual effective interest rate of the debt component is 18.54%.

Following the share subdivision on 15 July 2021, every one issued share of the Company is subdivided into four subdivided shares, the conversion price of the series one convertible bonds and series two convertible bonds were adjusted to HK\$0.645 and HK\$0.70 per Share. Both series one convertible bonds and series two convertible bonds were converted into an aggregate of 152,602,432 Shares on 31 December 2021.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Liability component at 1 January	<b>82,975</b>	—
Nominal value of convertible bonds issued during the year	—	100,000
Equity component	—	(11,590)
Direct transaction costs attributable to the equity component	—	(1,037)
Direct transaction costs attributable to the liability component	—	(9,173)
	<u>—</u>	<u>(9,173)</u>
Liability component at the issuance date	—	78,200
Interest expense	<b>15,490</b>	7,275
Interest payable	<b>(2,778)</b>	(2,500)
Interest paid	<b>(2,500)</b>	—
Conversion of convertible bonds	<b>(97,022)</b>	—
Exchange realignment	<b>3,835</b>	—
	<u>3,835</u>	<u>—</u>
Liability component at 31 December	<u>—</u>	<u>82,975</u>

## 15. SHARE CAPITAL

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Issued and fully paid (US\$0.000025 per share (2020: US\$0.0001 per share): 2,117,596,656 ordinary shares (2020: 459,104,556)	<b>417</b>	359
	<u>417</u>	<u>359</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital HK\$'000	Treasury shares HK\$'000
At 1 January 2020 (Restated)	424,874,536	332	(19,990)
Shares repurchased for share award scheme (Restated)	—	—	(1,994)
Share allotment for consideration settlement (a) (Restated)	5,214,953	4	—
Exercise of share options (b) (Restated)	113,333	—	—
Issue of shares (c) (Restated)	<u>28,901,734</u>	<u>23</u>	<u>—</u>
At 31 December 2020, and 1 January 2021 (Restated)	459,104,556	359	(21,984)
Exercise of share options before Share Subdivision (d)	9,497,000	8	—
Issue of shares before Share Subdivision (e)	<u>21,500,000</u>	<u>17</u>	<u>—</u>
Immediately before the Share Subdivision	490,101,556	384	(21,984)
Effect of the Share Subdivision (f)	<u>1,470,304,668</u>	<u>—</u>	<u>—</u>
Immediately after the Share Subdivision	1,960,406,224	384	(21,984)
Shares repurchased for share award scheme	—	—	(40,453)
Exercise of share options after share subdivision (d)	4,588,000	3	—
Share converted from convertible bonds after the share subdivision (g)	<u>152,602,432</u>	<u>30</u>	<u>—</u>
At 31 December 2021	<u><u>2,117,596,656</u></u>	<u><u>417</u></u>	<u><u>(62,437)</u></u>

*Notes:*

- (a) On 23 June 2020, the Group issued 5,214,953 shares by share allotment for consideration settlement at a price of HK\$2.14 per share.
- (b) In 2020, the subscription rights attaching to 113,333 share options were exercised at the subscription price of US\$0.125 per share, resulting in the issue of 113,333 shares for a total cash consideration, before expenses, of US\$14,000. An amount of US\$14,000 was transferred from the share compensation reserve to share capital and share premium upon the exercise of the share options.
- (c) On 29 December 2020, the Company completed the allotment and issuance of 28,901,734 Shares to Antfin (Hong Kong) Holding Limited, an indirect wholly-owned subsidiary of Ant Group Co., Ltd.
- (d) In 2021, before the share subdivision, the subscription rights attaching to 4,597,000 and 4,900,000 share options were exercised at the subscription price of US\$0.125 per share and HK\$3.5 per share, respectively, resulting in the issue of 9,497,000 shares for a total cash consideration, before expenses, of US\$718,000 and HK\$17,150,000 respectively. After the share subdivision, the subscription rights attaching to 4,588,000 share options were exercised at the subscription price of US\$0.03125 per share, resulting in the issue of 4,588,000 shares for a total cash consideration, before expenses, of US\$143,000. An amount of HK\$33,533,000 was transferred from the share compensation reserve to share capital upon the exercise of the share options.

- (e) On 28 May 2021, the Company completed the allotment and issuance of 21,500,000 Shares to no less than six placees at a subscription price of HK\$30.30 per Share.
- (f) The number of issued shares were increase due to the share subdivision of every one share of par value of US\$0.0001 of the Company into four subdivided shares of US\$0.000025 each was effective on 15 July 2021.
- (g) On 14 July 2020, the Company issued Series One Convertible Bonds and Series Two Convertible Bonds for principal amount of HK\$80,000,000 and HK\$20,000,000. On December 31, 2021, the bondholder converted Series One Convertible Bonds and Series Two Convertible Bonds into 152,602,432 shares with conversion price were HK\$0.65 per share and HK\$0.70 per share respectively.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW**

We are a global leading SaaS player who provides the technology service of digital content protection and monetization, building the essential technology infrastructure to support the distribution of global digital content assets. With nearly two decades of operational excellence, we have established a solid customer base with trusted long-term relationships, which include global premier content creators, rights holders and platforms such as Hollywood film studios, television networks, streaming platforms, blockchain and NFT marketplaces to reduce infringement issues and increase value for digital content assets owners.

The integrity and value of the digital content assets is highly dependent on the protection and monetization of IP rights, which has become a larger issue for IP holders given the continued proliferation of content across an increasingly diverse array of distribution and social media platforms.

Our SaaS platforms currently provide content protection and content monetization solutions for our clients and partners:

#### **Content Protection**

We provide critical content protection to ensure delivery of our client's audiovisual content to end consumer directly or across global content distribution and social media platforms, from ultra-HD movie content to premium TV, short form digital content to live events such as sports, and Metaverse related digital content assets such as NFTs. For example, we offer video fingerprinting services on content libraries, allowing clients to choose which digital content assets to actively track and manage. Customers can also choose to watermark digital content assets in order to trace and block the source of infringement. These solutions provide automated content recognition and is scalable on cloud infrastructure. During the reporting period, the revenue from our content protection services was approximately HK\$177 million, representing an increase of approximately 131% as compared with the revenue of our content protection services in 2020. We expand our client base and content assets by improving the accuracy and coverage of our searches, and currently managed over tens of millions video assets, conducted hundreds of billions of video fingerprinting cumulative searches across over hundreds of thousands of websites globally with no false positive case.

#### **Content Monetization**

Taking the content protection solutions to the next level, for our fingerprint or watermark managed assets, we can also identify digital content assets on online platforms, and instead of taking down the assets, enable our clients to have the option to capture incremental revenues which we will analyse and claim from the platforms on behalf of clients. We are uniquely positioned to do so because of our proprietary technology as well as our API integration with our long-standing partnerships with major platforms. As a natural extension of our monetization solutions, we also provide a robust set of video optimisation, programming strategy, reporting and performance marketing services to IP holders, so that they can maximise value of their IP on platforms. To manage channels for IP holders, we assist

them to extend their brand influence across platforms and regions, achieving higher profitability of the IP. In 2021, our Content Monetization business continued to grow rapidly. During the reporting period, the revenue from our content monetization services was approximately HK\$481 million, representing an increase of approximately 102% as compared with the revenue of our content monetization services in 2020. We will continuously strengthen our technical, product and service capabilities, and provide broader monetization solutions to our clients and partners.

Our business covers major economies in the world. Our group has played an important role by providing the essential technology infrastructure to support the distribution of digital content assets:

### **Sustaining Growth Momentum**

With the growth of DTC (Direct-to-Customer) business models for streaming companies, our IP Protection technologies and services will provide the most efficient copyright protection solution to ensure the exclusivity of content distribution and avoid viewership outflow, which will be key to DTC platforms' revenue and customer retention strategies. We are always looking to grow and build on our capabilities in content protection and monetization to better serve our clients. In 2021, we have developed new technology solutions to better address key content verticals, improved operations capabilities to deepen our market penetration, enhanced services to protect and monetize digital content assets in the context of NFTs and blockchain, stronger customer support functions to drive client relationships, and enhanced analytical tools and functions so that our clients can optimise advertising wallet. These enhancement and investment opportunities will continue to shape our business, and can span many areas of Vobile's value proposition. We will continue to improve our solutions and products which will ultimately drive value for our clients.

### **Achieved Performance Breakthrough**

China has been the focus of our business growth in 2021. With the revised Copyright Law coming into force and the "14th Five-Year Plan" laying out the National Intellectual Property Protection and Utilization Plan in 2021, the explosive rise in the demand of digital content protection has promoted the accelerated growth of our performance in China. In the past twelve months, we have made significant strides in growing our business in China, building out the local team and capabilities, as well as driving strategic and commercial partnerships with industry leaders. In 2021, the revenue from China was approximately HK\$166 million, representing an increase of approximately 1,355% as compared with the revenue from China in 2020.

In addition to our organic growth, we are in the process of completing a strategic acquisition of Particle Technology, a leading integrated video technology SaaS provider in China specialized in visual and data intelligence, providing video distribution and edge computing SaaS service to top content platforms, and content monetization service to telecom operators, new media platforms, cable operators and internet service providers. Particle Technology has established more than 200 domestic and overseas content players and collaborated with more than 100 monetization platforms. With the integration of Particle Technology and its industry-leading team, we are in a favourable position to capture the enormous growth opportunities in China digital content assets ecosystem.

As highlighted in our growth in revenues from our business in China, we are witnessing continued encouraging evidence to grow our presence and being a market leader in China. We also strongly believe that the enterprise solutions we are providing to our content owner and distribution clients will enable the growth of a healthy and equitable and sustainable ecosystem of content creation, monetization, and distribution in China.

## **BUSINESS STRATEGY AND OUTLOOK**

Our vision is to help every content creator and rights holder succeed by providing the technology service of global digital content protection and monetization, increasing content profitability and extending brands/IP influence. We plan to implement the following strategies to comprehensively support our clients' success and to accelerate the growth of digital content assets ecosystem:

1. **Build Digital Infrastructure to Support the Distribution of Digital Content Assets.** With the development of the global digital economy, there is a rising demand for the production and consumption of digital content assets in the industry. Our mission is to build the essential digital infrastructure to support the protection and monetization of global digital content assets and promote efficient value distribution across the ecosystem. We will continue to enhance and provide better protection and monetization services for our clients, strengthening our leadership position in digital content assets industry.
2. **Offer Computing Services Integrated In Platforms as New Applications.** We will provide fully-configured computing products and services that can be easily modularized and scaled to empower different content platforms by content copyright identification. We plan to establish partnerships with platforms and offer our computing services to build the digital infrastructure supporting the industry ecosystem.
3. **Provide End-to-End Protection Solution for DTC Clients and Accelerate Industry Evolution.** By combining our fingerprinting and watermarking technologies, we will provide the ultimate effective copyright protection solution for DTC clients. By not only accurately identifying infringing content but also tracing the original source of infringement, our solution will achieve the full-chain protection for DTC content covering from its distribution to streaming, adapting to the evolving industry and newest clients' requests.
4. **Strengthen Our Content Monetization Capabilities and Empower Brands and IPs to Extend Their Global Influence.** Overseas content platforms continue to experience an explosive growth in business, which has promoted and accelerated the growth of our overseas content monetization business. We will leverage the rich industry experience and existing monetization channels of Particle Technology, which are accumulated over the years, and explore more content monetization approaches in the Chinese market together. We will promote global content transaction, eventually empowering brands and IPs to extend their global influence.

5. **Layout for Digital Assets Market and Lead the Future.** With the development of digital content assets industry, new formats of digital content assets, such as digital collectables including NFTs, will broaden the application scenarios of our products and solutions. We will further enhance and optimize our technologies and services, enhance our industry practice, and help our clients to utilize digital content assets and extend their influence. We will continue to play an essential role in the digital content assets ecosystem and lead the future.
6. **Globalization.** The 14th Five-Year Plan targets a full expansion of digital economy in 2025 and introduces numerous policies which support the rapid growth of digital content assets in China. Meanwhile, new policies promote equitable distribution system of economics for intellectual property. We will seize the opportunities of digital economy development and increase the market share in China. We plan to complete integration with Particle Technology in 2022 to achieve full synergies, jointly launch new products and solutions, and leverage our proven track record in China markets to generate new growth momentums. Meanwhile, we will further improve our overseas market share by following our influential strategies in all major economies in the world.

## FINANCIAL REVIEW

### Consolidated Statement of Profit or Loss and Other Comprehensive Income Highlights

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Revenue	<b>686,528</b>	340,294
Gross profit	<b>348,771</b>	165,564
(Loss)/profit before tax	<b>(14,876)</b>	67,138
(Loss)/profit for the year attributable to owners of the Company	<b>(22,677)</b>	81,187
Adjusted Net Profit/(Loss)	<b>63,600</b>	(33,286)
Non-IFRS Adjusted EBITDA	<b><u>113,474</u></b>	<b><u>20,343</u></b>

## Adjusted Net Profit/(Loss)

Adjusted Net (loss)/profit is (loss)/earnings before equity settled share option expenses and other one-off expenses. This is not a IFRSs measure. Adjusted net profit/(loss) is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation. The Group has presented this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors.

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
(Loss)/profit for the year attributable to owners of the Company	<b>(22,677)</b>	81,187
Add/(less):		
Equity-settled share compensation expense	<b>67,387</b>	23,994
Transaction costs for proposed acquisition	<b>14,262</b>	—
Changes in fair value of investment properties	<b>(447)</b>	—
Changes in fair value of financial assets at FVTPL	<b>5,075</b>	—
Change in fair value of other liabilities measured at FVTPL	<u>—</u>	<u>(138,467)</u>
Adjusted Net Profit/(Loss)	<u><b>63,600</b></u>	<u>(33,286)</u>

## Non-IFRS Adjusted EBITDA

Adjusted EBITDA is (loss)/earnings before finance costs, finance revenues, income taxes, depreciation and amortisation, equity settled share option expenses, and other one-off expenses. This is not a IFRSs measure. Adjusted EBITDA is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation. Our Group has presented this item because our Group considers it an important supplemental measure of our Group's operational performance used by our Group's management as well as analysts or investors.

The following table sets forth a quantitative reconciliation of Adjusted EBITDA to its most directly comparable IFRS measurement and (loss)/profit before tax.

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
(Loss)/profit before tax	<b>(14,876)</b>	67,138
Add/(less):		
Depreciation and amortisation	<b>23,449</b>	17,830
Loss on disposal of items of property, plant and equipment and other intangible assets	—	103
Equity-settled share compensation expense	<b>67,387</b>	23,994
Bank interest income	<b>(1,615)</b>	(209)
Finance costs	<b>20,174</b>	50,194
Impairment/(reversal of impairment) on financial assets	<b>65</b>	(240)
Transaction costs for proposed acquisition	<b>14,262</b>	—
Changes in fair value of investment properties	<b>(447)</b>	—
Changes in fair value of financial assets at FVTPL	<b>5,075</b>	—
Fair value change on other liabilities measured at FVTPL	<u>—</u>	<u>(138,467)</u>
Adjusted EBITDA	<u><b>113,474</b></u>	<u>20,343</u>

## Revenue

The following table shows our revenue breakdown by each product in our subscription-based SaaS business and transaction-based SaaS business:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Content Monetization	<b>480,742</b>	238,143
Content Protection	<b>176,693</b>	76,651
Others	<u><b>29,093</b></u>	<u>25,500</u>
Total revenue	<u><b>686,528</b></u>	<u>340,294</u>

Our revenue in 2021 amounted to approximately HK\$687 million, representing an increase of approximately HK\$347 million, or approximately 102% as compared with the revenue of 2020 of approximately HK\$340 million. The increase was mainly attributed by (a) continued growth in our business in the US; and (b) the expansion of our business in the Mainland China, driven by strategic and commercial partnerships.

### **Gross profit and gross profit margin**

Our gross profit in 2021 amounted to approximately HK\$349 million, representing an increase of approximately HK\$183 million as compared to 2020 of approximately HK\$166 million. Our gross profit margin increased from 48.7% in 2020 to 50.8% in 2021.

### **Selling and marketing expenses**

Our selling and marketing expenses in 2021 amounted to approximately HK\$98 million, representing an increase of approximately HK\$23 million as compared to 2020 of approximately HK\$75 million. The increase was mainly due to the increase of sales and marketing initiatives during the year.

### **Administrative expenses**

Our administrative expenses in 2021 amounted to approximately HK\$129 million, representing an increase of approximately HK\$71 million as compared to 2020 of approximately HK\$58 million. The increase was mainly due to the incurrence of transaction costs for a proposed acquisition and increase of equity-settled share compensation expenses during the year.

### **Research and development expenses**

Our research and development expenses in 2021 amounted to approximately HK\$112 million, representing an increase of approximately HK\$60 million as compared to 2020 of approximately HK\$52 million. The increase was mainly due to the increase of research and development activities in the current year and the increase in the headcount of our research and development department from 43 in 2020 to 141 in 2021.

### **Other income and gains**

In 2021, other income mainly consisted of bank interest income. In 2020, other income mainly consisted of income on fair value change on other liabilities measured at FVTPL of approximately HK\$138 million (2021: Nil).

### **Finance costs**

Finance costs mainly consisted of interest expense on convertible bonds and interest-bearing borrowings of approximately HK\$19 million and interest expense on lease liabilities of approximately HK\$1 million.

### **Income tax expense/(credit)**

Our income tax expense for 2021 mainly comprised of tax expense in the Mainland China and our income tax credit for 2020 was mainly comprised of deferred tax credit.

## **(Loss)/profit for the year attributable to owners of the Company**

The loss attributable to owners of the Company for 2021 amounted to approximately HK\$23 million, representing a decrease of profit of approximately HK\$104 million as compared to the profit attributable to owners of the Company for 2020 of approximately HK\$81 million. The profit decreased as there was a one off gain on fair value change on other liabilities measured at FVTPL of approximately HK\$138 million in 2020.

Basic loss per share for 2021 was approximately HK\$0.0119 (basic earnings per share for 2020: HK\$0.0474) and diluted earnings per share for 2021 was approximately HK\$0.0119 (diluted earnings per share for 2020: HK\$0.0459).

## **Dividends**

The Board does not recommend any payment of dividends for 2021 (2020: nil).

## **Consolidated Statement of Financial Position Highlights**

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i> (Restated)
Total assets	<b>1,770,150</b>	1,153,538
Total liabilities	<b>233,827</b>	364,672
Net assets	<b>1,536,323</b>	788,866
Total equity	<b>1,536,323</b>	788,866

## **Goodwill**

Our goodwill remained stable at approximately HK\$607 million as at 31 December 2021 as compared to HK\$604 million as at 31 December 2020. Goodwill is tested for impairment periodically and no impairment loss is considered necessary as at 31 December 2021.

## **Intangible assets**

Our intangible assets amounted to HK\$111 million as at 31 December 2021, representing an increase of HK\$30 million as compared to 31 December 2020 of HK\$81 million. The increase was attributable to the capitalisation of certain development costs in 2021.

## **Convertible bonds**

On 14 July 2020, the Company issued two series of convertible bonds in the aggregate principal amount of HK\$100,000,000 to Bondholder. The Series One Convertible Bonds with principal amount of HK\$80,000,000 have an initial conversion price of HK\$2.58 per Share. The Series Two Convertible

Bonds with principal amount of HK\$20,000,000 have an initial conversion price of HK\$2.80 per Share. Both Series One Convertible Bonds and Series Two Convertible Bonds are convertible into Shares of the Company.

Following the share subdivision on 15 July 2021, every one issued share of the Company is subdivided into four subdivided shares, the conversion price of the series one convertible bonds and series two convertible bonds were adjusted to HK\$0.645 and HK\$0.70 per Share. Both series one convertible bonds and series two convertible bonds were converted into an aggregate of 152,602,432 Shares on 31 December 2021.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Working capital**

As of 31 December 2021, our cash and cash equivalents amounted to approximately HK\$497 million, representing an increase of HK\$235 million as compared to 2020 of approximately HK\$262 million. As of 31 December 2021, our current ratio, which is equivalent to the current assets divided by the current liabilities, was 4.3 times as compared with 3.9 times as at 31 December 2020.

### **Significant investments, acquisitions and disposal**

We did not have any significant investment nor material disposal during 2021.

### **Capital expenditures**

Our capital expenditures primarily included purchases of property, plant and equipment, investment properties, intangible assets and incurrence of development costs, which will be capitalised as intangible assets. The amount of our capital expenditures in 2021 was HK\$111 million.

### **Foreign exchange exposure**

Our transactions are mainly settled in USD and therefore we have minimal exposure to foreign exchange risk. We have not used any derivative financial instrument to hedge against our exposure to foreign exchange risk but will monitor such risk closely on an ongoing basis.

### **Gearing ratio**

Our Group monitors capital using gearing ratio, which is net external debt divided by the capital (equity attributable to owners of the Company) plus net debt. Net debt includes convertible bonds and interest-bearing borrowings, less cash and cash equivalents. As of 31 December 2021 and 2020, our gearing ratio, calculated as net debt divided by the capital (equity attributable to owners of the Company) plus net debt, was not applicable as our balance of cash and cash equivalents exceeded the balance of net external debt.

## **Contingent liabilities, off balance sheet commitments and arrangements and pledge of assets**

As of 31 December 2021, we did not have (i) any material contingent liabilities or guarantees, (ii) any liabilities under acceptance trade receivables or acceptable credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantee material covenants, or other material contingent liabilities, (iii) any material off- balance sheet arrangements, or (iv) any unutilised banking facilities.

## **Financial instruments**

Our major financial instruments include trade receivables, other receivables excluding prepayments, cash and cash equivalents, convertible bonds, interest-bearing borrowings, trade payables, other payables excluding non-financial liabilities, contingent consideration payable and other non-current liabilities.

We manage such exposure to ensure appropriate measures are implemented on a timely and effective manner.

## **Use of proceeds from convertible bonds and subscription of shares**

In July 2020, the Company completed the issue of two series of convertible bonds to the Bondholder and raised net proceeds of approximately HK\$90 million. As of 31 December 2021, the entire amount of HK\$90 million were fully utilised.

In December 2020, the Company completed the allotment and issuance of 28,901,734 Shares to Antfin (Hong Kong) Holding Limited, an indirect wholly-owned subsidiary of Ant Group Co., Ltd. and raised net proceeds of approximately HK\$387 million. As of 31 December 2021, the entire amount of HK\$387 million were fully utilised.

In May 2021, the Company completed the placement of 21,500,000 Shares and raised net proceeds of approximately HK\$630 million. As of 31 December 2021, the Company has utilised HK\$249 million of the net proceed. The Company will apply the net proceeds for the purpose as disclosed in the announcement of the Company dated 21 May 2021. The Company intends to fully utilise the net proceeds from the placement of 21,500,000 Shares by 31 December 2022.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2021, we employed a total of 293 staff (as at 31 December 2020: 132 staff). Salaries, bonuses and benefits are determined with reference to market terms and performance, qualifications and experience of each individual employee, and are subject to review from time to time.

The remuneration of the Directors is reviewed by the remuneration committee of the Company and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

## **CORPORATE GOVERNANCE PRACTICE**

The Board is committed to maintaining high corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for our Group to formulate its business strategies and policies, and to enhance its transparency and accountability. The Company has applied the principles as set out in the CG Code which are applicable to the Company.

In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in the CG Code during the year ended 31 December 2021, save and except for code provision A.2.1 which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yangbin Bernard WANG is both our Chairman and Chief Executive Officer, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. We believe Mr. Wang is instrumental to our growth and business expansion since our establishment in 2005. The Board considers that the roles of chairman and chief executive officer being vested in the same person is beneficial to the business prospects, management and overall strategic direction of our Group by ensuring consistent leadership within our Group and facilitating more effective and efficient overall strategic planning and decision-making for our Group. In addition, the Board meets regularly to consider major matters affecting the operations of our Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. In addition, under the supervision of the Board which is comprised of two executive Directors, two non-executive Director and four independent non-executive Directors as at the date of this announcement, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. After considering all the corporate governance measures that have been taken, the Board considers that the balance of power and authority will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. Thus, the Company does not segregate the roles of Chairman and Chief Executive Officer.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2021.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code during the year ended 31 December 2021. The Company has made specific inquiries of relevant employees about their compliance with the guidelines on transactions of the Company's securities, without noticing any violation of the guidelines.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 December 2021, except for the purchase of 5,644,000 shares on behalf by Tricor Trust (Hong Kong) Limited, a wholly-owned subsidiary of Tricor Holdings Limited, as the trustee of the Share Award Plan, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **EVENTS AFTER THE REPORTING PERIOD**

At the extraordinary general meeting held on 17 January 2022, the Group adopted the ordinary resolution to acquire 61.18% equity interest in Particle Technology at a total cash consideration of RMB854 million. The acquisition is expected to be completed in the second quarter of 2022.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Alfred Tsai CHU, Mr. Charles Eric EESLEY and Mr. KWAN Ngai Kit, and two non-executive Directors, namely, Mr. J David WARGO and Mr. WONG Wai Kwan. The chairman of the Audit Committee is Mr. KWAN Ngai Kit.

The Audit Committee has reviewed the annual results of our Group for the year ended 31 December 2021 and has recommended for the Board's approval thereof.

## **SCOPE OF WORK ON THE RESULTS ANNOUNCEMENT BY AUDITORS**

The figures in respect of our Group's consolidated statement of financial position as at 31 December 2021 and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this results announcement have been agreed by our Group's auditors, Ernst & Young, to the amounts set out in our Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this results announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.vobilegroup.com](http://www.vobilegroup.com)). The Company will despatch in due course to the Shareholders the 2021 annual report containing all the information as required by the Listing Rules and publish it on the above websites.

## **DEFINITIONS**

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

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Bondholder”	Poly Platinum Enterprises Limited, an investment holding company incorporated in British Virgin Islands with limited liability a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP
“CG Code”	the corporate governance code as set out in Appendix 14 to the Listing Rules
“Company”	Vobile Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands and the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“DTC”	direct-to-consumer
“EBITDA”	earnings/(loss) before interest, tax, depreciation and amortisation
“FVTPL”	fair value through profit or loss
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAS”	International Accounting Standards
“IFRS”	International Financial Reporting Standards

“IP”	Intellectual property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Wang”	Mr. Yangbin Bernard WANG
“Particle Technology”	Particle Culture Technology Group (Hangzhou) Co., Ltd.
“SaaS”	Software as a Service
“Series One Convertible Bonds”	the convertible bonds in the principal amount of HK\$80,000,000 issued by the Company on 14 July 2020
“Series Two Convertible Bonds”	the convertible bonds in the principal amount of HK\$20,000,000 issued by the Company on 14 July 2020
“Share(s)”	ordinary share(s) of US\$0.000025 each (before the Share Subdivision: US\$0.0001 each) in the share capital of the Company
“Share Award Plan”	the share award plan of the Company adopted on 6 May 2019, and where appropriate, includes all amendments thereto
“Share Subdivision”	the authorised and issued shares of the Company were subdivided on the basis that every one issued share is subdivided into four subdivided shares pursuant to a shareholders’ resolution passed at an extraordinary general meeting on 13 July 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “USD”	the lawful currency of the United States

By Order of the Board  
**Vobile Group Limited**  
**Yangbin Bernard Wang**  
*Chairman*

Hong Kong, 31 March 2022

*As at the date of this announcement, the Board comprises Mr. Yangbin Bernard WANG and Mr. Matsuzawa Masaaki as executive Directors; Mr. J David WARGO and Mr. WONG Wai Kwan as non-executive Directors; and Mr. Alfred Tsai CHU, Mr. CHAN King Man Kevin, Mr. Charles Eric EESLEY and Mr. KWAN Ngai Kit as independent non-executive Directors.*