Weibo Corporation
微博股份有限公司
(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)
(Stock Code: 9898)

ANNOUNCEMENT OF SECOND QUARTER AND INTERIM 2023 FINANCIAL RESULTS AND BOARD CHANGE

SECOND QUARTER AND INTERIM 2023 FINANCIAL RESULTS

We hereby announce our unaudited financial results for the second quarter and six months ended June 30, 2023 (the "**Q2 and Interim 2023 Financial Results**"). The Q2 and Interim 2023 Financial Results are provided to our shareholders as our interim report for the six months ended June 30, 2023 under Rule 13.48(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

The Q2 and Interim 2023 Financial Results are available for viewing at the website of The Stock Exchange of Hong Kong Limited at **www.hkexnews.hk** and our website at **http://ir.weibo.com**.

BOARD CHANGE

The Company announces that Mr. Pen Hung Tung ("**Mr. Tung**") has resigned from the board of directors of the Company (the "**Board**"), effective as of August 23, 2023. The Board would like to take the opportunity to express its gratitude to Mr. Tung for his contributions to the Company and his services during his tenure as a director of the Company.

Furthermore, the Company is pleased to announce that Mr. Bo Liu ("**Mr. Liu**") has been appointed as a director of the Company, effective as of August 23, 2023. The directors of the Company determined that Mr. Liu had valuable and relevant qualifications and experience that qualified him to succeed Mr. Tung, and it is in the best interests of the Company to appoint Mr. Liu as a director of the Company.

Mr. Liu is currently the President of Alibaba's Taobao and Tmall Group, Alimama, and Xianyu. He was appointed as the Vice President of Alibaba Group in March 2020. He joined Alibaba in 2005 and held various positions, including the President of Taobao University, General Manager of Juhuasuan, and General Manager of Tmall's Operations Division. Mr. Liu received his bachelor's degree in Aviation Mechanical Design from Zhengzhou University of Aeronautics and held an EMBA degree in Business Administration from the Chinese University of Hong Kong.

By order of the Board
Weibo Corporation
Mr. Charles Guowei Chao
Chairman of the Board

Hong Kong, August 24, 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Charles Guowei Chao, Mr. Gaofei Wang, Ms. Hong Du and Mr. Bo Liu, as the directors, and Mr. Pochin Christopher Lu, Mr. Pehong Chen and Mr. Yan Wang as the independent directors.

Weibo Reports Second Quarter 2023 Unaudited Financial Results

BEIJING, China – August 24, 2023 – Weibo Corporation ("**Weibo**" or the "**Company**") (NASDAQ: WB and HKEX: 9898), a leading social media in China, today announced its unaudited financial results for the second quarter ended June 30, 2023.

"We are pleased with the recovery of our business and improvement of our operating efficiency this quarter," said Gaofei Wang, CEO of Weibo. "During this quarter, our user community experienced continuous healthy growth, with ongoing execution of effective channel and operational strategies. For content ecosystem, on top of solid growth of traffic and content consumption around Weibo's advantageous areas, such as entertainment and hot trends, we also beefed up our investment in key vertical areas, in the hope of reinforcing our comprehensive content ecosystem. On monetization, our advertising business exhibited a steady recovery from the previous quarter, contributing to further improvement in our operating margin for the second quarter. In July 2023, we distributed special cash dividends of US$0.85 per ordinary share or ADS, totaling approximately US$200 million, reaffirming our commitment to returning value to our shareholders."

Second Quarter 2023 Highlights

- Net revenues were US$440.2 million, a decrease of 2% year-over-year or an increase of 5% year-over-year on a constant currency basis [1].

- Advertising and marketing revenues were US$385.7 million, flattish year-over-year or an increase of 7% year-over-year on a constant currency basis [1].

- Value-added service ("**VAS**") revenues were US$54.6 million, a decrease of 16% year-over-year, or a decrease of 10% year-over-year on a constant currency basis[1].

- Income from operations was US$123.5 million, representing an operating margin of 28%.

- Net income attributable to Weibo's shareholders was US$81.4 million and diluted net income per share was US$0.34.

- Non-GAAP income from operations was US$153.8 million, representing a non-GAAP operating margin of 35%.

- Non-GAAP net income attributable to Weibo's shareholders was US$126.4 million and non-GAAP diluted net income per share was US$0.53.

- Monthly active users ("**MAUs**") were 599 million in June 2023, a net addition of approximately 17 million users on a year-over-year basis. Mobile MAUs represented 95% of MAUs.

- Average daily active users ("**DAUs**") were 258 million in June 2023, a net addition of approximately 5 million users on a year-over-year basis.

[1] On a constant currency (non-GAAP) basis, we assume that the exchange rate in the second quarter of 2023 had been the same as it was in the second quarter of 2022, or RMB6.60=US$1.00.

Second Quarter 2023 Financial Results

For the second quarter of 2023, Weibo's total net revenues were US$440.2 million, a decrease of 2% compared to US$450.2 million for the same period last year.

Advertising and marketing revenues for the second quarter of 2023 were US$385.7 million, flattish compared to US$385.6 million for the same period last year. Advertising and marketing revenues excluding ad revenues from Alibaba were US$358.9 million, a decrease of 1% compared to US$361.8 million for the same period last year.

VAS revenues for the second quarter of 2023 were US$54.6 million, a decrease of 16% year-over-year compared to US$64.6 million for the same period last year. The decrease of VAS revenues was mainly due to the recognition of one-time technical service fee in the same period last year and less revenue contribution from membership service.

Costs and expenses for the second quarter of 2023 totaled US$316.8 million, a decrease of 11% compared to US$356.2 million for the same period last year.

Income from operations for the second quarter of 2023 was US$123.5 million, compared to US$93.9 million for the same period last year. Operating margin was 28%, compared to 21% last year. Non-GAAP income from operations was US$153.8 million, compared to US$145.3 million for the same period last year. Non-GAAP operating margin was 35%, compared to 32% last year.

Non-operating loss for the second quarter of 2023 was US$13.8 million, compared to a loss of US$47.4 million for the same period last year. Non-operating loss for the second quarter of 2023 mainly included a US$16.9 million net loss from fair value change of investments, primarily resulted from fair value change of investment in Didi Global Inc. (OTC Pink: DIDIY), which was excluded under non-GAAP measures.

Income tax expenses were US$25.5 million, compared to US$17.5 million for the same period last year.

Net income attributable to Weibo's shareholders for the second quarter of 2023 was US$81.4 million, compared to US$28.3 million for the same period last year. Diluted net income per share attributable to Weibo's shareholders for the second quarter of 2023 was US$0.34, compared to US$0.12 for the same period last year. Non-GAAP net income attributable to Weibo's shareholders for the second quarter of 2023 was US$126.4 million, compared to US$109.7 million for the same period last year. Non-GAAP diluted net income per share attributable to Weibo's shareholders for the second quarter of 2023 was US$0.53, compared to US$0.46 for the same period last year.

As of June 30, 2023, Weibo's cash, cash equivalents and short-term investments totaled US$2.8 billion. For the second quarter of 2023, cash provided by operating activities was US$142.5 million, capital expenditures totaled US$3.3 million, and depreciation and amortization expenses amounted to US$14.5 million.

Board Change

The Company announced that Mr. Bo Liu has been appointed as a director to the Board of Directors of the Company (the "**Board**") and Mr. Pen Hung Tung has resigned from the Board, effective as of August 23, 2023.

Mr. Liu is currently the President of Alibaba's Taobao and Tmall Group, Alimama, and Xianyu. He was appointed as the Vice President of Alibaba Group in March 2020. He joined Alibaba in 2005 and held various positions, including the President of Taobao University, General Manager of Juhuasuan, and General Manager of Tmall's Operations Division. Mr. Liu received his bachelor's degree in Aviation Mechanical Design from Zhengzhou University of Aeronautics and held an EMBA degree in Business Administration from the Chinese University of Hong Kong.

The Company would like to thank Mr. Pen Hung Tung for his dedicated service to the Board and contributions to the Company. At the same time, the Company would like to welcome Mr. Bo Liu to the Board and believes that Mr. Liu's perspectives and experiences will provide valuable guidance to the Company's development.

Conference Call

Weibo's management team will host a conference call from 7:00 AM to 8:00 AM Eastern Time on August 24, 2023 (or 7:00 PM – 8:00 PM Beijing Time on August 24, 2023) to present an overview of the Company's financial performance and business operations.

Participants who wish to dial in to the teleconference must register through the below public participant link. Dial in and instruction will be in the confirmation email upon registering.

Participants Registration Link:
https://register.vevent.com/register/BI59522cdba0784489bd072fa4fb46c60e

Additionally, a live and archived webcast of this conference call will be available at **http://ir.weibo.com**.

Non-GAAP Financial Measures

This release contains the following non-GAAP financial measures: non-GAAP income from operations, non-GAAP net income attributable to Weibo's shareholders, non-GAAP diluted net income per share attributable to Weibo's shareholders and adjusted EBITDA. These non-GAAP financial measures should be considered in addition to, not as a substitute for, measures of the Company's financial performance prepared in accordance with U.S. GAAP.

The Company's non-GAAP financial measures exclude stock-based compensation, amortization of intangible assets resulting from business acquisitions, non-cash compensation cost to non-controlling interest shareholders, impairment of intangible assets, net results of impairment and provision on investments, gain/loss on sale of investments and fair value change of investments, non-GAAP to GAAP reconciling items on the share of equity method investments, non-GAAP to GAAP reconciling items for the income/loss attributable to non-controlling interests, income tax expense related to the amortization of intangible assets resulting from business acquisitions and fair value change of investments (other non-GAAP to GAAP reconciling items have no tax effect), and amortization of issuance cost of convertible debt, senior notes and long-term loans. Adjusted EBITDA excludes interest income, net, income tax benefits/expenses, and depreciation expenses.

The Company's management uses these non-GAAP financial measures in their financial and operating decision-making, because management believes these measures reflect the Company's ongoing operating performance in a manner that allows more meaningful period-to-period comparisons. The Company believes that these non-GAAP financial measures provide useful information to investors and others in the following ways: (i) in comparing the Company's current financial results with the Company's past financial results in a consistent manner, and (ii) in understanding and evaluating the Company's current operating performance and future prospects in the same manner as management does. The Company also believes that the non-GAAP financial measures provide useful information to both management and investors by excluding certain expenses, gains/losses and other items (i) that are not expected to result in future cash payments or (ii) that are non-recurring in nature or may not be indicative of the Company's core operating results and business outlook.

Use of non-GAAP financial measures has limitations. The Company's non-GAAP financial measures do not include all income and expense items that affect the Company's operations. They may not be comparable to non-GAAP financial measures used by other companies. Accordingly, care should be exercised in understanding how the Company defines its non-GAAP financial measures. Reconciliations of the Company's non-GAAP financial measures to the nearest comparable GAAP measures are set forth in the section below titled "Unaudited Reconciliation of Non-GAAP to GAAP Results."

About Weibo

Weibo is a leading social media for people to create, share and discover content online. Weibo combines the means of public self-expression in real time with a powerful platform for social interaction, content aggregation and content distribution. Any user can create and post a feed and attach multi-media and long-form content. User relationships on Weibo may be asymmetric; any user can follow any other user and add comments to a feed while reposting. This simple, asymmetric and distributed nature of Weibo allows an original feed to become a live viral conversation stream.

Weibo enables its advertising and marketing customers to promote their brands, products and services to users. Weibo offers a wide range of advertising and marketing solutions to companies of all sizes. The Company generates a substantial majority of its revenues from the sale of advertising and marketing services, including the sale of social display advertisement and promoted marketing offerings. Designed with a "mobile first" philosophy, Weibo displays content in a simple information feed format and offers native advertisement that conform to the information feed on our platform. To support the mobile format, we have developed and continuously refining our social interest graph recommendation engine, which enables our customers to perform people marketing and target audiences based on user demographics, social relationships, interests and behaviors, to achieve greater relevance, engagement and marketing effectiveness.

Safe Harbor Statement

This press release contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology, such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "confidence," "estimates" and similar statements. Among other things, Weibo's expected financial performance and strategic and operational plans, as described, without limitation, in quotations from management in this press release, contain forward-looking statements. Weibo may also make written or oral forward-looking statements in the Company's periodic reports to the U.S. Securities and Exchange Commission ("**SEC**"), in announcements, circulars or other publications made on the website of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, Weibo's limited operating history in certain new businesses; failure to grow active user base and the level of user engagement; the uncertain regulatory landscape in China; fluctuations in the Company's quarterly operating results; the Company's reliance on advertising and marketing sales for a majority of its revenues; failure to successfully develop, introduce, drive adoption of or monetize new features and products; failure to compete effectively for advertising and marketing spending; failure to successfully integrate acquired businesses; risks associated with the Company's investments, including equity pick-up and impairment; failure to compete successfully against new entrants and established industry competitors; changes in the macro-economic environment, including the depreciation of the Renminbi; and adverse changes in economic and political policies of the PRC government and its impact on the Chinese economy. Further information regarding these and other risks is included in Weibo's annual report on Form 20-Fs and other filings with the SEC and the Hong Kong Stock Exchange. All information provided in this press release is current as of the date hereof, and Weibo assumes no obligation to update such information, except as required under applicable law.

Contact:
Investor Relations
Weibo Corporation
Phone: +86 10 5898-3336
Email: ir@staff.weibo.com

WEIBO CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except per share data)

	Three months ended			Six months ended	
	June 30, 2022	March 31, 2023	June 30, 2023	June 30, 2022	June 30, 2023
Net revenues:					
Advertising and marketing	$385,559	$355,300	$385,674	$812,680	$740,974
Value-added services	64,593	58,478	54,566	122,094	113,044
Net revenues	450,152	413,778	440,240	934,774	854,018
Costs and expenses:					
Cost of revenues (1)	95,314	85,853	94,272	200,115	180,125
Sales and marketing (1)	115,512	106,494	105,425	240,823	211,919
Product development (1)	106,403	90,676	92,945	218,837	183,621
General and administrative (1)	28,809	34,265	24,145	68,036	58,410
Impairment of intangible assets	10,176	–	–	10,176	–
Total costs and expenses	356,214	317,288	316,787	737,987	634,075
Income from operations	93,938	96,490	123,453	196,787	219,943
Non-operating income (loss):					
Investment related gain (loss), net	(25,676)	27,155	(25,190)	(203,626)	1,965
Interest and other income (loss), net	(21,721)	2,682	11,357	(7,305)	14,039
	(47,397)	29,837	(13,833)	(210,931)	16,004
Income (loss) before income tax expenses	46,541	126,327	109,620	(14,144)	235,947
Less: Income tax expenses	17,502	21,852	25,450	29,218	47,302
Net income (loss)	29,039	104,475	84,170	(43,362)	188,645
Less: Net income (loss) attributable to non-controlling interests	739	556	257	(4,138)	813
Accretion to redeemable non-controlling interests	–	3,427	2,526	–	5,953
Net income (loss) attributable to Weibo's shareholders	$28,300	$100,492	$81,387	$ (39,224)	$181,879

	Three months ended			Six months ended	
	June 30, 2022	**March 31, 2023**	**June 30, 2023**	**June 30, 2022**	**June 30, 2023**
Basic net income (loss) per share attributable to Weibo's shareholders	$0.12	$0.43	$0.35	$ (0.17)	$0.77
Diluted net income (loss) per share attributable to Weibo's shareholders	$0.12	$0.42	$0.34	$ (0.17)	$0.77
Shares used in computing basic net income (loss) per share attributable to Weibo's shareholders	235,521	234,705	235,361	235,364	235,035
Shares used in computing diluted net income (loss) per share attributable to Weibo's shareholders	237,025	236,895	237,886	235,364	237,393
(1) Stock-based compensation in each category:					
Cost of revenues	$2,716	$2,536	$2,238	$5,053	$4,774
Sales and marketing	5,502	4,613	4,113	10,117	8,726
Product development	16,760	13,800	13,256	30,096	27,056
General and administrative	6,483	6,676	6,460	13,246	13,136

WEIBO CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars)

	December 31, 2022	June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	$2,690,768	$2,360,744
Short-term investments	480,428	468,735
Accounts receivable, net	502,443	446,654
Prepaid expenses and other current assets	391,502	406,257
Amount due from SINA [(1)]	487,117	492,530
Current assets subtotal	4,552,258	4,174,920
Property and equipment, net	249,553	222,612
Goodwill and intangible assets, net	245,223	224,202
Long-term investments	993,630	1,309,217
Other non-current assets	1,088,790	947,982
Total assets	**$7,129,454**	**$6,878,933**
Liabilities, Redeemable Non-controlling Interests and Shareholders' Equity		
Liabilities:		
Current liabilities:		
Accounts payable	$161,029	$156,383
Accrued expenses and other current liabilities	923,678	675,959
Income tax payable	55,282	53,254
Deferred revenues	79,949	85,571
Dividends payable	–	200,136
Current liabilities subtotal	1,219,938	1,171,303

	December 31, 2022	June 30, 2023
Long-term liabilities:		
Unsecured senior notes	1,540,717	1,541,868
Long-term loans	880,855	882,916
Other long-term liabilities	97,404	89,212
Total liabilities	3,738,914	3,685,299
Redeemable non-controlling interests	45,795	54,875
Shareholders' equity:		
Weibo shareholders' equity	3,330,250	3,124,261
Non-controlling interests	14,495	14,498
Total shareholders' equity	3,344,745	3,138,759
Total liabilities, redeemable non-controlling interests and shareholders' equity	**$7,129,454**	**$6,878,933**

(1) Included short-term loans to and interest receivable from SINA of US$420.4 million as of December 31, 2022 and US$436.0 million as of June 30, 2023.

WEIBO CORPORATION
UNAUDITED RECONCILIATION OF NON-GAAP TO GAAP RESULTS
(In thousands of U.S. dollars, except per share data)

	Three months ended			Six months ended	
	June 30, 2022	March 31, 2023	June 30, 2023	June 30, 2022	June 30, 2023
Income from operations	$93,938	$96,490	$123,453	$196,787	$219,943
Add: Stock-based compensation	31,461	27,625	26,067	58,512	53,692
Amortization of intangible assets resulting from business acquisitions	4,895	4,439	4,271	10,646	8,710
Accrual of non-cash compensation cost to non-controlling interest shareholders	4,824	–	–	10,898	–
Impairment of intangible assets	10,176	–	–	10,176	–
Non-GAAP income from operations	**$145,294**	**$128,554**	**$153,791**	**$287,019**	**$282,345**
Net income (loss) attributable to Weibo's shareholders	$28,300	$100,492	$81,387	$(39,224)	$181,879
Add: Stock-based compensation	31,461	27,625	26,067	58,512	53,692
Amortization of intangible assets resulting from business acquisitions	4,895	4,439	4,271	10,646	8,710
Accrual of non-cash compensation cost to non-controlling interest shareholders	4,824	–	–	10,898	–
Impairment of intangible assets	10,176	–	–	10,176	–
Investment related gain/loss, net (1)	25,676	(27,155)	25,190	203,626	(1,965)
Non-GAAP to GAAP reconciling items on the share of equity method investments	8,571	4,183	(11,262)	5,917	(7,079)
Non-GAAP to GAAP reconciling items for the income/loss attributable to non-controlling interests	(278)	(157)	(156)	(4,909)	(313)
Tax effects on non-GAAP adjustments (2)	(5,541)	196	(727)	(16,312)	(531)
Amortization of issuance cost of convertible debt, unsecured senior notes and long-term loans	1,611	1,606	1,606	3,222	3,212
Non-GAAP net income attributable to Weibo's shareholders	**$109,695**	**$111,229**	**$126,376**	**$242,552**	**$237,605**
Non-GAAP diluted net income per share attributable to Weibo's shareholders	**$0.46***	**$0.47**	**$0.53**	**$1.02***	**$1.00**

	Three months ended			Six months ended	
	June 30, 2022	**March 31, 2023**	**June 30, 2023**	**June 30, 2022**	**June 30, 2023**
Shares used in computing GAAP diluted net income (loss) per share attributable to Weibo's shareholders	237,025	236,895	237,886	235,364	237,393
Add: The number of shares for dilution resulted from convertible debt [(3)]	6,753	–	–	6,753	–
The number of shares for dilution resulted from unvested restricted share units [(3)]	–	–	–	976	–
Shares used in computing non-GAAP diluted net income per share attributable to Weibo's shareholders	**243,778**	**236,895**	**237,886**	**243,093**	**237,393**
Adjusted EBITDA:					
Net income (loss) attributable to Weibo's shareholders	$28,300	$100,492	$81,387	$(39,224)	$181,879
Non-GAAP adjustments	81,395	10,737	44,989	281,776	55,726
Non-GAAP net income attributable to Weibo's shareholders	109,695	111,229	126,376	242,552	237,605
Interest (income) expense, net	(8,443)	(9,743)	1,366	(19,429)	(8,377)
Income tax expenses	23,043	21,657	26,177	45,530	47,834
Depreciation expenses	8,616	10,601	9,962	17,346	20,563
Adjusted EBITDA	**$132,911**	**$133,744**	**$163,881**	**$285,999**	**$297,625**

(1) To adjust impairment and provision on investments, gain/loss on sale of investments and fair value change of investments.

(2) To adjust the income tax effects of non-GAAP adjustments, which primarily related to amortization and impairment of intangible assets resulting from business acquisitions and fair value change of investments. Other non-GAAP adjustment items have no tax effect, because (i) they were recorded in entities established in tax free jurisdictions, or (ii) full valuation allowances were provided for related deferred tax assets as it is more-likely-than-not they will not be realized.

(3) To adjust the number of shares for dilution resulted from convertible debt and unvested restricted share units which were anti-dilutive under GAAP measures.

* Net income attributable to Weibo's shareholders is adjusted for interest expense of convertible debt for calculating diluted EPS.

WEIBO CORPORATION
UNAUDITED ADDITIONAL INFORMATION
(In thousands of U.S. dollars)

	Three months ended			Six months ended	
	June 30, 2022	**March 31, 2023**	**June 30, 2023**	**June 30, 2022**	**June 30, 2023**
Net revenues					
Advertising and marketing					
Non-Ali advertisers	$361,831	$337,031	$358,894	$763,027	$695,925
Alibaba – as an advertiser	23,728	18,269	26,780	49,653	45,049
Subtotal	385,559	355,300	385,674	812,680	740,974
Value-added services	64,593	58,478	54,566	122,094	113,044
	$450,152	**$413,778**	**$440,240**	**$934,774**	**$854,018**

Reconciliation between U.S. GAAP and International Financial Reporting Standards

PricewaterhouseCoopers was engaged by the Company to conduct limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" ("**ISAE 3000 (Revised)**") on the reconciliation statement of the unaudited financial information of the Company, its subsidiaries, VIEs and VIEs' subsidiaries (collectively referred to as "**the Group**") setting out the differences between the unaudited interim condensed consolidated financial information for the six months ended June 30, 2023 prepared under U.S. GAAP and the International Financial Reporting Standards ("**IFRS**") (the "**Reconciliation Statement**").

The extent of procedures selected depends on the PricewaterhouseCoopers's judgment and their assessment of the risk. These procedures included:

(i) comparing the amounts in the columns "Amounts as reported under U.S. GAAP" as set out in the Reconciliation Statement with the corresponding amounts set out in the unaudited interim condensed consolidated financial information of the Group prepared under U.S. GAAP for the six months ended June 30, 2023;

(ii) assessing the appropriateness of the adjustments made in arriving at the "Amounts as reported under IFRS" as set out in the Reconciliation Statement, which included evaluating the differences between the Group's accounting policies adopted under U.S. GAAP and IFRS for the six months ended June 30, 2023, and examining evidence supporting the adjustments made in arriving at the "Amounts as reported under IFRS"; and

(iii) checking the arithmetic accuracy of the calculation of the amounts in the columns "Amounts as reported under IFRS" as set out in the Reconciliation Statement.

The procedures performed by PricewaterhouseCoopers in this limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. For the purposes of this engagement, PricewaterhouseCoopers is not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Reconciliation Statement. PricewaterhouseCoopers's engagement was intended solely for the use of the Directors in connection with this Reconciliation Statement and may not be suitable for another purpose.

Based on the procedures performed and evidence obtained, PricewaterhouseCoopers have concluded that nothing has come to their attention that causes them to believe that:

(i) the amounts in the column "Amounts as reported under U.S. GAAP" as set out in the Reconciliation Statement are not in agreement with the corresponding amounts in the unaudited interim condensed consolidated financial information of the Group under U.S. GAAP for the six months ended June 30, 2023;

(ii) the Reconciliation Statement is not prepared, in all material respects, in accordance with the basis of preparation; and

(iii) the calculation of the amounts in the columns "Amounts as reported under IFRS" as set out in the Reconciliation Statement are not arithmetically accurate.

The unaudited condensed consolidated financial information are prepared in accordance with U.S. GAAP, which differ in certain respects from International Financial Reporting Standards. The effects of material differences between the unaudited condensed consolidated financial information of the Group prepared under U.S. GAAP and IFRS are as follows:

Reconciliation of unaudited condensed consolidated statements of operations (in US$ thousands):

	For the Six Months Ended June 30, 2022						
		IFRS adjustments					
	Amounts as reported under U.S. GAAP	Convertible debts *(Note (i))*	Leases *(Note (ii))*	Investments measured at fair value *(Note (iii))*	Share-based compensation *(Note (iv))*	Redeemable non-controlling interest *(Note (v))*	**Amounts as reported under IFRS**
Costs and expenses:							
Cost of revenues	200,115	–	(158)	–	2,189	–	202,146
Sales and marketing	240,823	–	(379)	–	3,440	–	243,884
Product development	218,837	–	(334)	–	6,908	–	225,411
General and administrative	68,036	–	(426)	–	3,409	–	71,019
Total costs and expenses	737,987	–	(1,297)	–	15,946	–	752,636
Investment related gain (loss), net	(203,626)	–	–	1,606	–	–	(202,020)
Interest and other income (loss), net	(7,305)	7,696	(1,551)	–	–	–	(1,160)
Fair value changes of convertible debts	–	(20,250)	–	–	–	–	(20,250)
Financial expense	–	–	–	–	–	(807)	(807)
Loss before income tax expenses	(14,144)	(12,554)	(254)	1,606	(15,946)	(807)	(42,099)
Less: income tax expenses	29,218	–	–	(211)	–	–	29,007
Net loss	(43,362)	(12,554)	(254)	1,817	(15,946)	(807)	(71,106)
Net loss attributable to Weibo's shareholders	(39,224)	(12,554)	(254)	1,817	(15,946)	(807)	(66,968)

	For the Six Months Ended June 30, 2023						
		IFRS adjustments					
	Amounts as reported under U.S. GAAP	Convertible debts *(Note (i))*	Leases *(Note (ii))*	Investments measured at fair value *(Note (iii))*	Share-based compensation *(Note (iv))*	Redeemable non-controlling interest *(Note (v))*	**Amounts as reported under IFRS**
Costs and expenses:							
Cost of revenues	180,125	–	(202)	–	(1,196)	–	178,727
Sales and marketing	211,919	–	(353)	–	(1,593)	–	209,973
Product development	183,621	–	(283)	–	(6,905)	–	176,433
General and administrative	58,410	–	(434)	–	(2,112)	–	55,864
Total costs and expenses	634,075	–	(1,272)	–	(11,806)	–	620,997
Investment related gain (loss), net	1,965	–	–	1,046	–	–	3,011
Interest and other income (loss), net	14,039	–	(1,569)	–	–	–	12,470
Financial expense	–	–	–	–	–	(1,358)	(1,358)
Income before income tax expenses	235,947	–	(297)	1,046	11,806	(1,358)	247,144
Net income	188,645	–	(297)	1,046	11,806	(1,358)	199,842
Less: Net income attributable to non-controlling interests	813	–	–	–	–	3,859	4,672
Accretion to redeemable non-controlling interests	5,953	–	–	–	–	(5,953)	–
Net income attributable to Weibo's shareholders	181,879	–	(297)	1,046	11,806	736	195,170

Reconciliation of unaudited condensed consolidated balance sheets (in US$ thousands):

		As of December 31, 2022 IFRS adjustments					
	Amounts as reported under U.S. GAAP	Convertible debts *(Note (i))*	Leases *(Note (ii))*	Investments measured at fair value *(Note (iii))*	Share-based compensation *(Note (iv))*	Redeemable non-controlling interest *(Note (v))*	**Amounts as reported under IFRS**
Goodwill and intangible assets, net	245,223	–	–	–	–	(11,450)	233,773
Long-term investments	993,630	–	–	36,612	–	–	1,030,242
Other non-current assets	1,088,790	–	(1,636)	–	–	–	1,087,154
Total assets	7,129,454	–	(1,636)	36,612	–	(11,450)	7,152,980
Financial liability	–	–	–	–	–	59,464	59,464
Other long-term liabilities	97,404	–	–	9,486	–	–	106,890
Total liabilities	3,738,914	–	–	9,486	–	59,464	3,807,864
Redeemable non-controlling interest	45,795	–	–	–	–	(45,795)	–
Weibo shareholders' equity	3,330,250	–	(1,636)	27,126	–	(59,464)	3,296,276
Non-controlling interests	14,495	–	–	–	–	34,345	48,840
Total shareholders' equity	3,344,745	–	(1,636)	27,126	–	(25,119)	3,345,116
Total liabilities, redeemable non-controlling interests and shareholders' equity	7,129,454	–	(1,636)	36,612	–	(11,450)	7,152,980

		As of June 30, 2023 IFRS adjustments					
	Amounts as reported under U.S. GAAP	Convertible debts *(Note (i))*	Leases *(Note (ii))*	Investments measured at fair value *(Note (iii))*	Share-based compensation *(Note (iv))*	Redeemable non-controlling interest *(Note (v))*	**Amounts as reported under IFRS**
Goodwill and intangible assets, net	224,202	–	–	–	–	(10,890)	213,312
Long-term investments	1,309,217	–	–	35,949	–	–	1,345,166
Other non-current assets	947,982	–	(1,839)	–	–	–	946,143
Total assets	6,878,933	–	(1,839)	35,949	–	(10,890)	6,902,153
Financial liability	–	–	–	–	–	63,413	63,413
Other long-term liabilities	89,212	–	–	9,022	–	–	98,234
Total liabilities	3,685,299	–	–	9,022	–	63,413	3,757,734
Redeemable non-controlling interest	54,875	–	–	–	–	(54,875)	–
Weibo shareholders' equity	3,124,261	–	(1,839)	26,927	–	(55,784)	3,093,565
Non-controlling interests	14,498	–	–	–	–	36,356	50,854
Total shareholders' equity	3,138,759	–	(1,839)	26,927	–	(19,428)	3,144,419
Total liabilities, redeemable non-controlling interests and shareholders' equity	6,878,933	–	(1,839)	35,949	–	(10,890)	6,902,153

Notes:

Basis of Preparation

The Directors of the Company are responsible for preparation of the Reconciliation Statement in accordance with the relevant requirements of the Hong Kong Listing Rules and relevant guidance in HKEX-GL111-22. The Reconciliation Statement was prepared based on the Group's unaudited interim condensed consolidated financial information for the six months ended June 30, 2023 prepared under U.S. GAAP, with adjustments made (if any) thereto in arriving at the unaudited financial information of the Group prepared under IFRS. The adjustments reflect the differences between the Group's accounting policies under U.S. GAAP and IFRS.

(i) Convertible debts

Under U.S. GAAP, the convertible debts were measured at amortized cost, with any difference between the initial carrying value and the repayment amount recognized as interest expenses using the effective interest method over the period from the issuance date to the maturity date. Under IFRS, the Group's convertible debts were designated as at fair value through profit or loss such that the convertible debts were initially recognized at fair values. Subsequent to initial recognition, the Group considered that the amounts of changes in fair value of the convertible debts that were attributed to changes in own credit risk of the convertible debts recognized in other comprehensive income were insignificant. Therefore, the amounts of changes in fair value of the convertible debts were recognized in the profit or loss.

(ii) Leases

Under U.S. GAAP, the amortization of the right-of-use assets and interest expense related to the lease liabilities are recorded together as lease cost to produce a straight-line recognition effect in the income statement. Under IFRS, the amortization of the right-of-use asset is on a straight-line basis while the interest expense related to the lease liabilities are the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The amortization of the right-of-use assets is recorded as lease expense and the interest expense is required to be presented in separate line items.

(iii) Investments measured at fair value

Under U.S. GAAP, convertible redeemable preferred shares and ordinary shares with preferential rights issued by privately-held companies without readily determinable fair values could be valued by an accounting policy elected by the Group. The Group elects the measurement alternative to record these equity investments without readily determinable fair values at cost, less impairment, and plus or minus subsequent adjustments for observable price changes. Under IFRS, these investments were classified as financial assets at fair value through profit or loss and measured at fair value with changes in fair value recognized through profit or loss. Fair value changes of these long-term investments were recognized in the profit or loss.

(iv) Share-based compensation

Under U.S. GAAP, companies are permitted to make an accounting policy election regarding the attribution method for awards with service-only conditions and graded vesting features. The valuation method that the company uses (single award or multiple tranches of individual awards) is not required to align with the choice in attribution method used (straight-line or accelerated tranche by tranche). A performance target that may be met after the requisite service period is complete is a performance vesting condition. The fair value of the award should not incorporate the probability of a performance condition vesting, but rather should be recognized only if the performance condition is probable of being achieved. Under IFRS, companies are not permitted to choose how the valuation or attribution method is applied to awards with graded-vesting features. Companies should treat each installment of the award as a separate grant. This means that each installment would be separately measured and attributed to expense over the related vesting period, which would accelerate the expense recognition. A performance target that may be met after the requisite service period is a non-vesting condition and is reflected in the measurement of the fair value of an award on grant date.

(v) Redeemable non-controlling interest

On October 31, 2020, the Group entered into a series of share purchase agreements with then existing shareholders of Shanghai Jiamian Information Technology Co., Ltd. or JM Tech, to acquire the majority of JM Tech's equity interest. The Group agreed to redeem the non-controlling interests ("NCI") held by founders and CEO of JM Tech under certain circumstances. Under US GAAP, the Group determined that the NCI with redemption rights should be bundled and classified as redeemable NCI as mezzanine equity on the balance sheets, since they are contingently redeemable upon the occurrence of certain conditional events, which are not solely within the control of the Group. The redeemable NCI is recognized at fair value on the acquisition date taking into account the probability of future redemption as well as estimated redemption amount. Such fair value includes the right of redemption, which is viewed as part of the accounting purchase price when acquisition accounting applied. Subsequently, the Group records accretion on the redeemable NCI as a whole to the redemption value over the period from the date of the acquisition to the date of earliest redemption. The accretion using the effective interest method, is recorded as deemed dividends to NCI holders. Under IFRS, as it is considered that the Group undertakes the obligation to purchase the remaining equity of JM Tech held by the founders and CEO at fair value, the risk and reward of the shares reside with non-controlling interests in the consolidated statements. Therefore, the Company recognized the NCI at fair value as permanent equity on acquisition date, and the fair value of such permanent equity NCI does not consider the redemption right. IFRS requires the fair value of NCI redemption right (present value of the estimated redemption amount) to be recognized as a separate financial liability on the balance sheet because the Group has an obligation to pay cash in the future to purchase the NCI shares. This separate financial liability is not viewed as part of accounting purchase price when applying acquisition accounting, which resulted in lower purchase price and therefore, a lower goodwill being recognized from the acquisition. The initial recognition of this financial liability is a reduction of the parent's equity. Subsequent changes in the carrying amount of the financial liability are recognized as finance charges in the income statement.