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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of June 2019

Commission File Number: 001-36397

Weibo Corporation

(Registrant's Name)

8/F, QIHAO Plaza, 8 Xinyuan South Road
Chaoyang District, Beijing 100027
People's Republic of China
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

EXHIBIT INDEX

Exhibit No.	Description
99.1	Unaudited Condensed Consolidated Interim Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WEIBO CORPORATION

Date: June 20, 2019

By: /s/ Fei Cao

Name: Fei Cao
Title: Vice President, Finance

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EXHIBIT INDEX
SIGNATURES

Exhibit 99.1

INDEX TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

WEIBO CORPORATION

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for par value)

	As of	
	December 31, 2018	**March 31, 2019**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,234,596	$ 826,990
Short-term investments	591,269	666,244
Accounts receivable due from third parties, net of allowances for doubtful accounts of $11,799 and $18,020 as of December 31, 2018 and March 31, 2019, respectively	190,036	261,732
Accounts receivable due from Alibaba, net of allowances for doubtful accounts of nil and nil as of December 31, 2018 and March 31, 2019, respectively (Note 10)	48,222	57,782
Accounts receivable due from other related parties, net of allowances for doubtful accounts of $630 and $645 as of December 31, 2018 and March 31, 2019, respectively (Note 10)	130,835	136,702
Prepaid expenses and other current assets	168,821	269,863
Amount due from SINA (Note 10)	105,319	310,237
Total current assets	2,469,098	2,529,550
Property and equipment, net	45,623	47,114
Operating lease assets	—	13,794
Intangible assets, net	21,103	20,764
Goodwill	29,346	30,074
Long-term investments	694,586	872,114
Other assets	14,926	75,014
Total assets	$ 3,274,682	$ 3,588,424
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities (including amounts of the consolidated VIEs without recourse to the primary beneficiaries of $347,770 and $476,111 as of December 31, 2018 and March 31, 2019, respectively.)		
Accounts payable	$ 123,730	$ 153,337
Accrued and other liabilities	317,437	373,370
Operating lease liability, short-term	—	4,763
Income taxes payable	88,683	58,399
Deferred revenues	99,994	145,483
Total current liabilities	629,844	735,352
Long-term liabilities		
Convertible debt	884,123	885,158
Deferred tax liability	12,577	12,764
Operating lease liability, long-term	—	9,542
Total long-term liabilities	896,700	907,464
Total liabilities	$ 1,526,544	$ 1,642,816
Commitments and contingencies (Note 15)		
Shareholders' equity:		
Ordinary shares: $0.00025 par value; 2,400,000 and 2,400,000 shares (including 1,800,000 Class A ordinary shares, 200,000 Class B ordinary shares and 400,000 shares to be designated) authorized; 224,838 and 225,035 shares (including 123,256 Class A ordinary shares and 101,779 Class B ordinary shares) issued and outstanding as of December 31, 2018 and March 31, 2019, respectively.	$ 57	$ 57
Additional paid-in capital	1,071,836	1,084,775
Accumulated other comprehensive loss	(49,615)	(15,753)
Retained earnings	723,181	873,623
Total Weibo shareholders' equity	1,745,459	1,942,702
Non-controlling interests	2,679	2,906
Total shareholders' equity	1,748,138	1,945,608
Total liabilities and shareholders' equity	$ 3,274,682	$ 3,588,424

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

WEIBO CORPORATION

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands, except per share data)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2019
Revenues:		
Advertising and marketing revenues		
Third parties	$ 237,453	$ 281,984
Alibaba (Note 10)	26,336	16,635
SINA and other related parties (Note 10)	39,160	42,522
	302,949	341,141
Value-added services revenues	46,934	58,036
Total revenues	349,883	399,177
Costs and Expenses		
Cost of revenues	62,902	82,817
Sales and marketing	105,863	106,151
Product development	60,523	69,853
General and administrative	11,216	17,287
Total costs and expenses	240,504	276,108
Income from operations	109,379	123,069
Loss from equity method investments	(300)	(1,550)
Realized gain from investments	—	132
Fair value changes through earnings on investments, net	(745)	38,465
Investment related impairment	(755)	(800)
Interest and other income, net	9,429	12,331
Income before income tax expenses	117,008	171,647
Less: Provision of income taxes	(18,297)	(21,073)
Net income	98,711	150,574
Less: Net income (loss) attributable to non-controlling interests	(374)	132
Net income attributable to Weibo	$ 99,085	$ 150,442
Net income	$ 98,711	$ 150,574
Other comprehensive income		
Currency translation adjustments (net of tax of nil, and nil for the three months ended March 31, 2018 and 2019, respectively)	28,417	33,957
Total comprehensive income	$ 127,128	$ 184,531
Less: Comprehensive income (loss) attributable to non-controlling interests	(300)	227
Comprehensive income attributable to Weibo	$ 127,428	$ 184,304
Shares used in computing net income per share attributable to Weibo:		
Basic	222,902	224,924
Diluted	225,971	232,894
Income per share:		
Basic	$ 0.44	$ 0.67
Diluted	$ 0.44	$ 0.66

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

WEIBO CORPORATION

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands)

	Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-controlling Interests	Total Shareholders' Equity
	Shares	Amount					
Balance at December 31, 2017	222,706	$ 56	$ 1,030,048	$ 9,534	$ 152,949	$ 2,207	$ 1,194,794
Issuance of ordinary shares pursuant to stock plan	448	—	386	—	—	—	386
Non-cash stock-based compensation	—	—	11,014	—	—	—	11,014
Impact of adoption of new revenue guidance (Note 2)	—	—	—	—	(596)	—	(596)
Impact of adoption of new guidance for investments in equity securities (Note 2)	—	—	—	995	(995)	—	—
Net income (loss)	—	—	—	—	99,085	(374)	98,711
Currency translation adjustments	—	—	—	28,343	—	74	28,417
Balance at March 31, 2018	223,154	$ 56	$ 1,041,448	$ 38,872	$ 250,443	$ 1,907	$ 1,332,726
Balance at December 31, 2018	224,838	$ 57	$ 1,071,836	$ (49,615)	$ 723,181	$ 2,679	$ 1,748,138
Issuance of ordinary shares pursuant to stock plan	197	—	44	—	—	—	44
Non-cash stock-based compensation	—	—	12,895	—	—	—	12,895
Net income	—	—	—	—	150,442	132	150,574
Currency translation adjustments	—	—	—	33,862	—	95	33,957
Balance at March 31, 2019	225,035	$ 57	$ 1,084,775	$ (15,753)	$ 873,623	$ 2,906	$ 1,945,608

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

WEIBO CORPORATION

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Three Months Ended Mach 31, 2018	Three Months Ended Mach 31, 2019
Cash flows from operating activities:		
Net income	$ 98,711	$ 150,574
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,690	6,164
Stock-based compensation	11,014	12,895
Provision for allowance for doubtful accounts	1,383	6,299
Deferred income taxes	22	185
Loss from equity method investments	300	1,550
Gain on sale of investments	—	(132)
Fair value changes through earnings on investments, net	745	(38,465)
Investment related impairment	755	800
(Gain) Loss on disposal of property and equipment	11	(1)
Amortization of convertible debt issuance cost	1,035	1,035
Changes in assets and liabilities, net of acquisition:		
Accounts receivable due from third parties	(15,532)	(72,328)
Accounts receivable due from Alibaba	(6,333)	(8,343)
Accounts receivable due from other related parties	(7,894)	(3,385)
Prepaid expenses and other current assets	(15,039)	(10,815)
Other assets	(150)	(60)
Accounts payable	24,051	29,300
Accrued and other liabilities	3,874	8,824
Amount due from SINA	(50,346)	(13,642)
Deferred revenues	15,227	42,775
Income taxes payable	18,227	(32,397)
Net cash provided by operating activities	84,751	80,833
Cash flows from investing activities:		
Purchases of short-term investments	(823,370)	(103,396)
Maturities of short-term investments	—	33,725
Investment in and prepayment on long-term investments	(868)	(187,120)
Proceeds from disposal of/refund of prepayment on long-term investments	741	297
Proceeds from disposal of property and equipment	4	1
Purchases of property and equipment	(4,337)	(7,679)
Loan to SINA	—	(187,413)
Net cash used in investing activities	(827,830)	(451,585)
Cash flows from financing activities:		
Proceeds from employee options exercised	339	45
Net cash provided by financing activities	339	45
Effect of exchange rate changes on cash, cash equivalents and restricted cash	24,596	22,695
Net decrease in cash, cash equivalents and restricted cash	(718,144)	(348,012)
Cash, cash equivalents and restricted cash at the beginning of the year/period	1,000,953	1,234,596
Cash, cash equivalents and restricted cash at the end of the year/period	$ 282,809	$ 886,584
Supplemental disclosure of cash flow information		
Cash paid for income taxes	$ (32)	$ (53,503)
Supplemental schedule of non-cash investing and financing activities		
Property and equipment in accounts payable	$ 7,085	$ 2,450
Unpaid consideration for investment	$ —	$ 40,000

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Operations

Weibo Corporation ("Weibo" or the "Company") is a leading social media for people to create, share and discover Chinese-language content. It provides an unprecedented and simple way for people and organizations to publicly express themselves in real time, interact with others on a massive global platform and stay connected with the world. As a microcosm of the Chinese society and a cultural phenomenon in China, Weibo allows people to be heard publicly and exposed to the rich ideas, cultures and experiences of the broader world. Media outlets use Weibo as a source of news and a distribution channel for their headline news. Government agencies and officials use Weibo as an official communication channel for disseminating information timely and gauging public opinion to improve public services. Charities use Weibo to make the world a better place by launching charitable projects, seeking donations and volunteers and leveraging celebrities and organizations on Weibo to amplify their impact to society. Weibo generates its revenues mostly from advertising and marketing services, as well as from value-added services, including VIP membership, live streaming, and game-related services.

Incorporated in the Cayman Islands, Weibo Corporation is a controlled subsidiary of Sina Corporation (the "Parent" or "SINA"). In April 2014, the Company completed an initial public offering (the "IPO") and received $306.5 million in net proceeds. Immediately prior to the completion of the IPO, all the ordinary shares held by SINA was converted into an equal number of the Class B ordinary shares, all the ordinary shares held by other shareholders was converted into an equal number of the Class A ordinary shares, and all of its outstanding preferred shares were automatically converted into Class A ordinary shares. The call option held by a subsidiary of Alibaba Group was exercised to purchase Class A ordinary shares from SINA and the Company. Each Class A ordinary share is entitled to one vote per share and each Class B ordinary share is entitled to three votes per share. Each Class B ordinary share can be converted into one Class A ordinary share at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares.

Weibo Corporation, an exempted company with limited liability, is the holding company for the Weibo business. Weibo HK is a wholly owned subsidiary of Weibo, and Weibo Technology, a wholly foreign-owned enterprise, ("the WFOE"), is a subsidiary of Weibo HK. The operation of Weibo business is carried out by various subsidiaries and variable interest entities ("VIE") of the Company. The Company's VIEs and VIEs' subsidiaries are controlled by the WFOE through a series of contractual agreements. Weibo Corporation, its subsidiaries, VIEs and VIEs' subsidiaries together are referred to as "the Group."

1. Operations (Continued)

The following sets forth the Company's major subsidiaries, major VIE and major VIE's subsidiary:

Company	Date of Incorporation	Place of Incorporation	Percentage of Direct/ Indirect Economic Interest
Major Subsidiaries			
Weibo Hong Kong Limited ("Weibo HK")	July 19, 2010	Hong Kong	100%
Weibo Internet Technology (China) Co., Ltd. ("Weibo Technology" or "the WFOE")	October 11, 2010	PRC	100%
Major VIE and major VIE's subsidiary			
Beijing Weimeng Technology Co., Ltd ("Weimeng")	August 9, 2010	PRC	100%
Beijing Weibo Interactive Internet Technology Co., Ltd. ("Weibo Interactive")	Acquired in May 2013	PRC	100%

Accounts receivable amounts directly related to Weibo but for which SINA will receive payments and remit payments to the Group, as well as accounts receivable directly from SINA, are included in the amount due from SINA. Liabilities directly related to Weibo but for which SINA will make payments and receive reimbursements from the Group, as well as liabilities directly to SINA, are included in the amount due to SINA. Loans to SINA are presented under investing activities in the unaudited interim condensed consolidated statements of cash flows. Cash payment for billings from SINA for costs and expenses allocated is presented under operating activities in the unaudited interim condensed consolidated statements of cash flows. The Group's statements of comprehensive income consists all the related costs and expenses of the Weibo business, including allocation to the cost of revenues, sales and marketing expenses, product development expenses, and general and administrative expenses, which are incurred by SINA but related to the Weibo business. These allocations were based on proportional cost allocation by considering proportion of the revenues, infrastructure usage metrics and labor usage metrics, among other things, attributable to the Group and are made on a basis considered reasonable by management.

Total cost and expenses allocated from SINA were as follows:

	Three Months Ended March 31,	
	2018	2019
	(In thousands)	
Cost of revenues	$ 3,573	$ 5,762
Sales and marketing	3,081	2,501
Product development	2,524	3,239
General and administrative	1,832	1,623
	$ 11,010	$ 13,125

1. Operations (Continued)

However, while the expenses allocated to the Group for these items are not necessarily indicative of the expenses that would have been incurred if the Group had been a separate and independent entity, the Company does not believe that there is any significant difference between the nature and amount of these allocated expenses and the expenses that would have been incurred if the Group had been a separate and stand-alone entity.

Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, VIEs, of which the Company is the primary beneficiary, and VIEs' subsidiaries. All significant intercompany balances and transactions have been eliminated.

To comply with PRC laws and regulations, the Group provides a substantial amount of its services in China via the VIEs, which holds critical operating licenses that enable the Group to do business in China. Most of the Group's revenues, costs and net income in China were generated directly or indirectly through the VIEs. The Company, through its subsidiary, has signed various agreements with the VIEs to allow the transfer of economic benefits from the VIEs to the Company. The Group has determined that it is the primary beneficiary of the VIEs through Weibo Technology's contractual arrangements with the VIEs. Accordingly, the Company has consolidated the VIEs' results of operations and assets and liabilities in the Group's financial statements pursuant to the United States Generally Accepted Accounting Principles ("US GAAP") for all the periods presented.

Shareholders of the VIEs are certain nominee shareholders from the Company or SINA. The capital for their investments in the VIEs is funded by the Company and recorded as interest-free loans to these individuals. These loans were eliminated with the capital of the VIEs during consolidation. Each shareholder of the VIEs has agreed to transfer their equity interest in the VIEs to Weibo Technology when permitted by PRC laws and regulations or to designees of the Company at any time for the amount of loans outstanding. All voting rights of the VIEs, including without limitation the right to appoint all directors of the VIEs, has been assigned to Weibo Technology. Weibo Technology has also entered into exclusive technical service agreements with the VIEs under which Weibo Technology provides technical and other services to the VIEs in exchange for substantially all net income of the VIEs. In addition, the shareholders of the VIEs have pledged their shares in the VIEs as collateral for the non-payment of loans or for the technical and other services fees due to Weibo Technology.

The following table sets forth the assets, liabilities, results of operations and cash flows of the VIEs and VIEs' subsidiaries taken as a whole, which are included in the Group's unaudited interim condensed consolidated balance sheets and statements of comprehensive income:

	As of	
	December 31, 2018	March 31, 2019
	(In thousands)	
Total assets	$ 908,590	$ 1,164,233
Total liabilities	$ 800,208	$ 1,056,341

1. Operations (Continued)

	Three Months Ended March 31,	
	2018	2019
	(In thousands)	
Net revenues	$ 284,785	$ 334,170
Net loss	$ (878)	$ (740)

	Three Months Ended March 31,	
	2018	2019
	(In thousands)	
Net increase in cash and cash equivalents	$ 7,718	$ 28,577

Under the contractual arrangements with the VIEs, the Company has the power to direct activities of the VIEs through Weibo Technology and can have assets transferred freely out of the VIEs without restrictions. Therefore, the Company considers that there is no asset of the VIEs that can only be used to settle obligations of the VIEs and VIEs' subsidiaries, except for the registered capital and non-distributable reserve funds of the VIEs and VIEs' subsidiaries, amounting to $144.1 million and $144.5 million as of December 31, 2018 and March 31, 2019, respectively. Since the VIEs are incorporated as limited liability companies under the PRC Company Law, creditors of the VIEs do not have recourse to the general credit of the Company. There is currently no contractual arrangement that would require the Company to provide additional financial support to the VIEs. As the Company is conducting certain businesses mainly through the VIEs, the Company may provide such support on a discretionary basis in the future, which could expose the Company to a loss.

Unrecognized revenue-producing assets held by the VIEs include the Internet Content Provision License, the Online Culture Operating Permit, and the domain names of Weibo.com, Weibo.cn and Weibo.com.cn. Recognized revenue-producing assets held by the VIEs include live streaming platform technology, supplier-relationship contracts, and trademark and domain names, which were acquired through previous acquisitions. Unrecognized revenue-producing assets, including customer lists relating to advertising and marketing services, VIP membership, and game-related services, as well as trademarks, are also held by Weibo Technology.

The following is a summary of the VIEs agreements:

Loan Agreements. The Company's wholly owned subsidiary Weibo Technology has granted interest-free loans to each shareholder of the VIEs with the sole purpose of providing funds necessary for capital injection into the VIEs. The terms of the loans are for 10 years, and Weibo Technology has the right to, at its own discretion, shorten or extend the terms of the loans, if necessary. These loans were eliminated with the capital of the VIEs during consolidation.

Share Transfer Agreements. Each shareholder of the VIEs has granted Weibo Technology an option to purchase his shares in the VIEs at a purchase price equal to the amount of the capital injection. Weibo Technology may exercise such option at any time until it has acquired all of the shares of the VIEs, subject to applicable PRC laws. The option will be effective until the earlier of (i) the shareholders of the VIEs and Weibo Technology have fully performed their obligations under this

1. Operations (Continued)

agreement, and (ii) the respective shareholders of the VIEs and Weibo Technology agree to terminate the share transfer agreement in writing.

Loan Repayment Agreements. Each shareholder of the VIEs has agreed with Weibo Technology that the interest-free loans under the loan agreements shall only be repaid through share transfer. Once the share transfers are completed, the purchase price for the share transfer will be set off against the loan repayment. These agreements will be effective until the earlier of (i) Weibo Technology and the shareholders of the VIEs have fully performed their obligations under these agreements, and (ii) Weibo Technology and the shareholders of the VIEs agree in writing to terminate these agreements.

Agreements on Authorization to Exercise Shareholder's Voting Power. Each shareholder of the VIEs has authorized Weibo Technology to exercise all his voting power as a shareholder of the VIEs on all matters requiring shareholders' approval under PRC laws and regulations and the articles of association of the VIEs, including without limitation to the appointment of directors, transfer, mortgage or dispose of the VIEs' assets, transfer of any equity interest in the VIEs, and merger, split, dissolution and liquidation of the VIEs. The authorizations are irrevocable and will not expire until the VIEs dissolve.

Share Pledge Agreements. Each shareholder of the VIEs has pledged all of his shares in the VIEs and all other rights relevant to the share rights to Weibo Technology, as a collateral security for his obligations to pay off all debts to Weibo Technology, under the loan agreement and for the payment obligations of the VIEs under the trademark license agreement and the technical services agreement. In the event of default of any payment obligations, Weibo Technology will be entitled to certain rights, including transferring the pledged shares to itself and disposing the pledged shares through sale or auction. During the term of each agreement, Weibo Technology is entitled to receive all dividends and distributions paid on the pledged shares. The pledges will be effective until the earlier of (i) the third anniversary of the due date of the last guaranteed debt, (ii) the VIEs and the shareholders of the VIEs have fully performed their obligations under the above-referred agreements, and (iii) Weibo Technology unilaterally consents to terminate the respective share pledge agreement. As of the date of this annual report, the registration of such equity pledges is still in the process.

Exclusive Technical Services Agreement, Exclusive Sales Agency Agreement and Trademark License Agreement. The VIEs have entered into an exclusive technical services agreement, an exclusive sales agency agreement and a trademark license agreement with Weibo Technology. Under the exclusive technical services agreement, Weibo Technology is engaged to provide technical services for the VIEs' online advertising and other related businesses. Under the exclusive sales agency agreement, the VIEs have granted Weibo Technology the exclusive right to distribute, sell and provide agency services for all the products and services provided by the VIEs. The term of the technical service agreement and the sales agency agreement will not expire until the VIEs dissolve.

Due to its control over the VIEs, Weibo Technology has the right to determine the service fee to be charged to the VIEs under these agreements. By considering, among other things, the technical complexity of the service, the actual cost that may be incurred for providing such service, the operations of the VIEs, applicable tax rates, planned capital expenditure and business strategies. Weibo Technology charged an amount of $174.6 million and $174.1 million in service fees from the VIEs under these agreements for the three months ended March 31, 2018 and 2019, respectively, which was determined based on the actual cost incurred for providing such service and the cash position and operation of the VIEs.

1. Operations (Continued)

Under the trademark license agreement, Weibo Technology has granted the VIEs trademark licenses to use its trademarks for specific areas, and the VIEs are obligated to pay license fees to Weibo Technology. The term of the agreement is for one year and is automatically renewed provided that there is no objection from Weibo Technology.

The Company believes that the contractual arrangements among its subsidiary, VIEs and VIEs' shareholders are in compliance with the current PRC laws and legally enforceable. However, uncertainties in the interpretation and enforcement of the PRC laws, regulations and policies could limit the Company's ability to enforce these contractual arrangements. As a result, the Company may be unable to consolidate the VIEs and VIEs' subsidiaries in the unaudited interim condensed consolidated financial statements. The Company's ability to control the VIEs also depends on the authorization by the shareholders of the VIEs to exercise voting rights on all matters requiring shareholder approval in the VIEs. The Company believes that the agreements on authorization to exercise shareholder's voting power are legally enforceable. In addition, if the legal structure and contractual arrangements with the VIEs were found to be in violation of any future PRC laws and regulations, the Company may be subject to fines or other actions. The Company believes the possibility that it will no longer be able to control and consolidate the VIEs as a result of the aforementioned risks and uncertainties are remote.

2. Significant Accounting Policies

Basis of presentation

In the opinion of the Company, the accompanying unaudited interim condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of March 31, 2019, its results of operations and cash flows for the three months ended March 31, 2018 and 2019. The consolidated balance sheet at December 31, 2018, was derived from audited annual financial statements included in the Company's Annual Report on Form 20-F filed on April 29, 2019, but does not contain all of the footnote disclosures from the annual financial statements.

The preparation of the Group's unaudited interim condensed consolidated financial statements is in conformity with US GAAP. The unaudited interim condensed consolidated financial statements include the accounts of Weibo, its wholly owned subsidiaries, VIEs, and VIEs' subsidiaries. All significant intercompany balances and transactions have been eliminated.

Use of estimates

Conformity with US GAAP requires the use of estimates and judgments that affect the reported amounts in the unaudited interim condensed consolidated financial statements and accompanying notes. These estimates form the basis for judgments the management makes about the carrying values of the assets and liabilities, which are not readily apparent from other sources. GAAP requires making estimates and judgments in several areas, including, but not limited to, the basis of consolidation, revenue recognition, fair value accounting, income taxes, goodwill and other long-lived assets, allowances for doubtful accounts, stock-based compensation, the estimated useful lives of assets and convertible debt. The management bases the estimates and judgments on historical information and on

2. Significant Accounting Policies (Continued)

various other assumptions that management believes are reasonable under the circumstances. Actual results could differ materially from such estimates.

Revenue recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued, ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" . The Group adopted the new revenue guidance since January 1, 2018 using the modified retrospective method. Results for reporting periods beginning on or after January 1, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Group's historic accounting method under ASC 605. The main impacts are a) the presentation of value added tax recognized in revenue from "gross" to "net", which results in equal decrease of revenues and cost of revenues, and b) the recognition of revenues and expenses at fair value for advertising barter transactions, which mainly results in the increase of revenue and advertising expenses.

Under ASC 606, revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. The Group identifies its contracts with customers and all performance obligations within those contracts. The Group then determines the transaction price and allocates the transaction price to the performance obligations within the Group's contracts with customers, recognizing revenue when, or as, the Group satisfies its performance obligations.

The Group does not believe that significant management judgments are involved in revenue recognition, but the amount and timing of the Group's revenues could be different for any period if management made different judgments. Certain customers may receive sales rebates, which are accounted for as variable consideration. The Group estimates annual expected revenue volume of each individual agent with reference to their historical results. The Group recognizes revenue for the amount of fees it receives from its advertisers, after deducting estimated sales rebates and net of value-added tax ("VAT") under ASC 606. The Group believes that there will not be significant changes to its estimates of variable consideration.

Revenue disaggregated by revenue source for the three months ended March 31, 2018 and 2019 consists of the following:

	Three Months Ended March 31,	
	2018	2019
	(In thousands)	
Advertising and marketing revenues	$ 302,949	$ 341,141
Value-added services revenues	46,934	58,036
Total revenues	$ 349,883	$ 399,177

The Group enters into contracts with its customers, which may give rise to contract assets (unbilled revenue) or contract liabilities (deferred revenue). The payment terms and conditions within the Group's contracts vary by the type and location of its customers and products or services purchased, the substantial majority of which are due in less than one year. No material impact on the contract

2. Significant Accounting Policies (Continued)

assets arose from the new guidance of revenue recognition. Deferred revenue related to unsatisfied performance obligations at the end of the period mainly consists of the unamortized balance of customer advance of advertising and marketing services. The deferred revenues are recognized based on customers' consumption or amortized on a straight-line basis through the service period for different products/services. Due to the generally short-term duration of the contracts, the majority of the performance obligations are satisfied in the following reporting period.

Practical Expedients and Exemptions

The Group generally expenses sales commissions when incurred because the amortization period is generally one year or less. These costs are recorded within sales and marketing expenses.

Advertising and marketing revenues

Advertising and marketing revenues are derived principally from online advertising, including social display ads and promoted marketing. Social display ad arrangements allow customers to place advertisements on particular areas of the Group's platform or website in particular formats and over particular periods of time, which is typically no more than three months. The Group enters into cost per mille ("CPM"), or cost per thousand impressions, advertising arrangements with the customers, under which the Group recognizes revenues based on the number of times that the advertisement has been displayed. The Group also enters into cost per day ("CPD") advertising arrangements with customers, under which the Group recognizes revenues ratably over the contract periods. Promoted marketing arrangements are primarily priced based on CPM. Under the CPM model, customers are obligated to pay when the advertisement is displayed.

The Group's majority revenue transactions are based on standard business terms and conditions, which are recognized net of agency rebates. The agency rebates are accounted for as variable consideration and are estimated during interim periods based on estimated annual revenue volume of each individual agent with reference to their historical results, which involves accounting judgment. The Group believes its estimation approach in variable consideration results in revenue recognition in a manner consistent with the underlying economics of the transaction.

The Group's contracts with customers may include multiple performance obligations, which primarily consist of combination of service to allow customers to place advertisements on different areas of its platform or website. For such arrangements, advertising arrangements involving multiple deliverables are broken down into single-element arrangements based on their stand-alone selling price for revenue recognition purposes. The estimation of stand-alone selling price involves significant judgment, especially for the deliverables that have not been sold separately. For those deliverables, the Group determines best estimate of the stand-alone selling price by taking into consideration of the pricing of advertising areas of the Group's platform or website with similar popularities and advertisements with similar formats and quoted prices from competitors and other market conditions. The Group believes the estimation approach in stand-alone selling price and allocation of the transaction price on a relative stand-alone selling price to each performance obligation results in revenue recognition in a manner consistent with the underlying economics of the transaction and the allocation principle included in ASC 606. Revenues recognized with reference to best estimation of selling price were immaterial for all periods presented. Most of such contracts have all performance

2. Significant Accounting Policies (Continued)

obligations completed within one year. Changes in judgments on these assumptions and estimates could materially impact the timing or amount of revenue recognition.

Revenues from barter transactions are recognized during the period in which the advertisements are displayed on the Group's properties. Barter transactions in which physical goods or services are received in exchange for advertising services are recorded based on the fair values of the goods or services received.

Value-added services revenues

The Group generates value-added services revenues principally from fee-based services, mainly including VIP membership, live streaming, and game-related services. Revenues from these services are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those services.

VIP membership. VIP membership is a service package consisting of one performance obligation of providing user certification and preferential benefits, such as daily priority listings and higher quota for following user accounts. Prepaid VIP membership fees are recorded as deferred revenue and recognized as revenue ratably over the contract period of the membership service.

Live streaming. Live streaming generates revenue from sales of virtual items on the Yizhibo platform. Users can access the platform and view the live streaming content and interact with the broadcasters for free.

The Group designs, creates and offers various virtual items for sales to users with pre-determined selling price. Each virtual item is considered as a distinctive performance obligation. Sales proceeds are recorded as deferred revenue and recognized as revenue based on the consumption of the virtual items. Users can purchase and present virtual items to broadcasters to show support for their favorite ones. Under the arrangements with broadcasters or broadcaster agencies, the Group shares with them a portion of the revenues derived from the consumption of virtual items. Revenues derived from the sale of virtual items are recorded on a gross basis as the Group has determined that it acts as the principal to fulfill all obligations related to the live streaming services. The portion paid to broadcasters and/or broadcaster agencies is recognized as cost of revenues. The Group does not have further obligations to the user after the virtual items are consumed.

Game-related services. Game-related service revenues are mostly generated from the purchase of virtual items by game players through the Group's platform. Each virtual item is considered as a distinctive performance obligation. The Group collects payments from the game players in connection with the sale of virtual currency, which can be used to purchase virtual items in online games. Revenue is recorded on a gross basis for games that the Group is acting as the principal in fulfilling all obligations related to the games and revenue is recorded net of predetermined revenue sharing with the game developers for games in which the Group is not acting as the principal in fulfilling all obligations. Sales of virtual currencies are recognized as revenues over the estimated consumption period of in-game virtual items, which is typically from a few days to one month. Virtual currency sold for game-related services in excess of recognized revenues is recorded as deferred revenues.

2. Significant Accounting Policies (Continued)

Cost of revenues

Cost of revenues consists mainly of costs associated with the maintenance of platform, which primarily include bandwidth and other infrastructure costs, labor cost and turnover taxes levied on the revenues, part of which were allocated from SINA. The Group presents taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction on a gross basis in the financial statements. The Group is subject to 6.7% Value-Added Tax ("VAT") and surcharges for its revenues and an additional 3% cultural business construction fees for its advertising and marketing revenues. Pursuant to the adoption of ASC 606 effectively beginning January 1, 2018, the new guidance of revenue recognition requires the presentation of Value-Added Tax ("VAT") recognized in revenue from "gross" to "net", which results in equal decrease of revenues and cost of revenues.

Sales and Marketing Expenses

Sales and marketing expenses consist mainly of online and offline advertising and promotional expenses, salary, benefits and commission expenses, and facility expenses. Advertising and promotional expenses generally represent the expenses of promotions of corporate image and product marketing. The Group expenses all advertising and promotional expenses as incurred and classifies these expenses under sales and marketing expenses. Pursuant to the adoption of ASC 606 effectively beginning January 1, 2018, the new guidance of revenue recognition requires the recognition of revenues and expenses at fair value for advertising barter transactions, which mainly results in the increase of revenue and advertising expenses.

Product development expenses

Product development expenses consist mainly of payroll-related expenses and infrastructure costs incurred for enhancement to and maintenance of the Group's platform, as well as costs associated with new product development and product enhancements, part of which were allocated from SINA. The Group expenses all costs incurred for the planning and post implementation phases of development and costs associated with repair or maintenance of the existing site or the development of platform content. Since inception, the amount of costs qualifying for capitalization has been immaterial and, as a result, all product development costs have been expensed as incurred.

Stock-based compensation

All stock-based awards to employees and directors, such as stock options and restricted share units ("RSUs"), are measured at the grant date based on the fair value of the awards. Stock-based compensation, net of forfeitures, is recognized as expenses on a straight-line basis over the requisite service period, which is the vesting period.

The Group uses the Black-Scholes option pricing model to estimate the fair value of stock options. The determination of estimated fair value of stock-based payment awards on the grant date using an option pricing model is affected by the fair value of the Company's ordinary shares as well as assumptions regarding a number of complex and subjective variables. These variables include the expected value volatility of the Company over the expected term of the awards, actual and projected

2. Significant Accounting Policies (Continued)

employee stock option exercise behaviors, a risk-free interest rate and expected dividends, if any. Options granted generally vest over four years.

The Group recognizes the estimated compensation cost of restricted share units based on the fair value of its ordinary shares on the date of the grant. The Group recognizes the compensation cost, net of estimated forfeitures, over a vesting term of generally four years for service-based restricted share units. The Group also recognizes the compensation cost of performance-based restricted share units, net of estimated forfeitures, if it is probable that the performance condition will be achieved at the end of each reporting period.

Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. The Group uses historical data to estimate pre-vesting option and records stock-based compensation expense only for those awards that are expected to vest. See Note 7 *Stock-based Compensation* for further discussion on stock-based compensation.

Taxation

Income taxes

Income taxes are accounted for using the asset and liability approach. Under this approach, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carry forwards. The Group records a valuation allowance to reduce deferred tax assets to an amount for which realization is more likely than not.

Uncertain tax positions. To assess uncertain tax positions, the Group applies a more likely than not threshold and a two-step approach for the tax position measurement and financial statement recognition. Under the two-step approach, the first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement.

Cash equivalents

The Group considers all highly liquid investments with original maturities of three months or less as cash equivalents. Cash equivalents are comprised of investments in time deposits that mature within three months stated at cost plus accrued interest.

Accounts receivable and allowances for doubtful accounts

Accounts receivable are recorded and carried at the original invoiced amount less an allowance for any potential uncollectible amounts. The Group maintains an allowance for doubtful accounts which reflects its best estimate of amounts that will not be collected. The Group determines the allowance for doubtful accounts based on a historical, rolling average, bad debt rate in the prior period and other factors, such as credit-worthiness of the customers and the age of the receivable balances. The Group

2. Significant Accounting Policies (Continued)

also provides specific provisions for bad debts when facts and circumstances indicate that the receivable is unlikely to be collected. If the financial condition of the Group's customers were to deteriorate, resulting in an impairment of their ability to make payments, more bad debt allowances may be required.

Fair value measurements

Financial instruments

All financial assets and liabilities are recognized or disclosed at fair value in the unaudited interim condensed consolidated financial statements on a recurring basis. Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

The Group measures the equity method investments at fair value on a non-recurring basis only if an impairment charge were to be recognized. For those investments without readily determinable fair value, the Group measures them at fair value when observable price changes are identified or impairment charge was recognized. The fair values of the Group's privately held investments as disclosed are determined based on the discounted cash flow model using the discount curve of market interest rates or based on the similar transaction price in the market directly. The fair values of the Group's long-term investments in the equity securities of publicly listed companies are measured using quoted market prices. The Group's non-financial assets, such as intangible assets, goodwill and fixed assets, would be measured at fair value only if they were determined to be impaired.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical asset or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to asset or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying amount of cash and cash equivalents, short-term investments, accounts receivable due from third parties, accounts receivable due from Alibaba, accounts receivable due from other related

2. Significant Accounting Policies (Continued)

parties, amount due from/to SINA, accounts payable, accrued and other liabilities approximates fair value because of their short-term nature. See Note 13 *Fair Value Measurement* for additional information.

Long-term investments

Long-term investments are comprised of investments in publicly traded companies, privately held companies, and limited partnerships. The Group uses the equity method to account for ordinary-share-equivalent equity investments over which it has significant influence but does not own a majority equity interest or otherwise control.

After adopting ASU 2016-01 on January 1, 2018, the Group measures investments in equity securities, other than equity method investments, at fair value through earnings. For those investments without readily determinable fair values, the Group elects to record these investments at cost, less impairment, and plus or minus subsequent adjustments for observable price changes. Under this measurement alternative, changes in the carrying value of the investments will be recognized in consolidated statement of comprehensive income, whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer.

Pursuant to ASC 321, for equity investments measured at fair value with changes in fair value recorded in earnings, the Group does not assess whether those securities are impaired. For those equity investments that the Group elects to use the measurement alternative, the Group makes a qualitative assessment of whether the investment is impaired at each reporting date. If a qualitative assessment indicates that the investment is impaired, the entity has to estimate the investment's fair value in accordance with the principles of ASC 820. If the fair value is less than the investment's carrying value, the entity has to recognize an impairment loss in net income equal to the difference between the carrying value and fair value.

Investments in entities which the Group can exercise significant influence and holds an investment in voting common shares or in-substance common shares (or both) of the investee but does not own a majority equity interest or control are accounted for using the equity method of accounting in accordance with ASC topic 323 ("ASC 323"), Investment—Equity Method and Joint Ventures. Under the equity method, the Group initially records its investments at cost and the difference between the cost of the equity investee and the fair value of the underlying equity in the net assets of the equity investee is recognized as equity method goodwill, which is included in the equity method investment on the consolidated balance sheets. The Group subsequently adjusts the carrying amount of the investments to recognize the Group's proportionate share of each equity investee's net income or loss into earnings after the date of investment. The Group evaluates the equity method investments for impairment under ASC 323. An impairment loss on the equity method investments is recognized in earnings when the decline in value is determined to be other-than-temporary.

Business combination

Business combinations are recorded using the purchase method of accounting, and the cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations and all contractual contingencies as of the acquisition date. The costs directly attributable to the acquisition are

2. Significant Accounting Policies (Continued)

expensed as incurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the (i) the total of consideration paid, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the subsidiary acquired over (ii) the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the consideration of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of comprehensive income.

Leases

In February 2016, the FASB issued a new standard on leases, ASU 2016-02, "Leases (Topic 842)", which requires a lessee to recognize assets and liabilities arising from operating leases. A lessee should recognize a liability to make lease payments (the Lease Liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of twelve months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities. In July 2018, the FASB issued an amendment, ASU 2018-11, which provides another transition method in addition to the existing transition methods by allowing entities to initially apply the new leases standard at the effective date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption and to not retrospectively adjust prior periods financial statements.

The Group has adopted the new lease standard beginning the first quarter of fiscal year 2019 and elected to apply practical expedients permitted under the transition method that allow the Group to use the beginning of the period of adoption (January 1, 2019) as the date of initial application, to not recognize lease assets and lease liabilities for leases with a term of twelve months or less, to not separate non-lease components from lease components, and to not reassess lease classification, treatment of initial direct costs, or whether an existing or expired contract contains a lease. The Group did not retrospectively adjust the prior comparative periods. Under the new lease standard, the Group determines if an arrangement is or contains a lease at inception. Right-of-use assets and liabilities are recognized at lease commencement date based on the present value of remaining lease payments over the lease terms. The Group considers only payments that are fixed and determinable at the time of lease commencement. The adoption of new leasing guidance resulted in recognition of $10.5 million of right-of-use asset and $10.5 million of leasing liability as of January 1, 2019, respectively.

Long-lived assets

Property and equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and impairment, if any. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally from three to four years for computers and equipment and five years for furniture and fixtures. Leasehold improvements are amortized over the shorter of the estimated useful lives of the assets or the remaining lease term.

2. Significant Accounting Policies (Continued)

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired as a result of the Group's acquisitions of interests in its subsidiaries and consolidated VIE. The Group assesses goodwill for impairment in accordance with ASC Subtopic 350-20 ("ASC 350-20"), Intangibles—Goodwill and Other: Goodwill, which requires that goodwill be tested for impairment at the reporting unit level at least annually and more frequently upon the occurrence of certain events, as defined by ASC 350-20. US GAAP provides the option to apply the qualitative assessment first and then the quantitative assessment, if necessary, or to apply the quantitative assessment directly. The qualitative approach starts the goodwill impairment test by assessing qualitative factors, which by taking into consideration of macroeconomics, overall financial performance, industry and market conditions and the share price of the Group, to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If so, the quantitative impairment test is performed; otherwise, no further testing is required. When the Group performs the quantitative impairment test, the Group firstly determines whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. For those reporting units where it is determined that it is more likely than not that their fair values are less than the units' carrying amounts, the Group performs the second step of a two-step quantitative goodwill impairment test to allocate the fair value of reporting units to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value of each reporting unit. Judgment in estimating the fair value of reporting units includes estimating future cash flows, determining appropriate discount rates and making other assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit.

Intangible assets other than goodwill

Intangible assets arising from acquisitions are recognized at fair value upon acquisition and amortized on a straight-line basis over their estimated useful lives, generally from five to ten years. Long-lived assets and certain identifiable intangible assets other than goodwill to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of any impairment loss for long-lived assets and certain identifiable intangible assets that management expects to hold or use is based on the amount by which the carrying value exceeds the fair value of the asset. Judgment is used in estimating future cash flows, determining appropriate discount rates and making other assumptions. Changes in these estimates and assumptions could materially affect the determination of the asset's fair value.

Convertible debt

The Group determines the appropriate accounting treatment of its convertible debt in accordance with the terms in relation to the conversion feature. After considering the impact of such features, the Group may account for such instrument as a liability in its entirety, or separate the instrument into debt and equity components following the respective guidance described under ASC 815 Derivatives and Hedging and ASC 470 Debt.

2. Significant Accounting Policies (Continued)

The debt discount, if any, together with related issuance cost are subsequently amortized as interest expense over the contractual life. The Group presented the issuance costs of debt as a direct deduction from the related debt during the periods presented.

Deferred revenues

Deferred revenues consist of contractual billings in excess of recognized revenue and payments received in advance of revenue recognition, which are mainly from the customer advance of the advertising and marketing services and the sales of the fee-based services, such as VIP membership, live streaming, and virtual currency or in-game virtual items sold for game related services.

Non-controlling interests

For the Company's majority-owned subsidiaries and VIE, non-controlling interests are recognized to reflect the portion of their equity that is not attributable, directly or indirectly, to the Company as the controlling shareholder. To reflect the economic interest held by non-controlling shareholders, net income/loss attributable to the non-controlling ordinary shareholders is recorded as non-controlling interests in the Company's unaudited interim condensed consolidated statements of comprehensive income. Non-controlling interests are classified as a separate line item in the equity section of the Company's unaudited interim condensed consolidated balance sheets and have been separately disclosed in the Company's unaudited interim condensed consolidated financial statements to distinguish the interests from that of the Company.

Foreign currency

The Company's reporting currency and functional currency are the U.S. dollar. The Group's operations in China and in international regions use their respective currencies as their functional currencies. The financial statements of these subsidiaries are translated into U.S. dollars using period-end rates of exchange for assets and liabilities and average rates of exchange in the period for revenues, costs and expenses. Translation gains and losses are recorded in accumulated other comprehensive income (loss) as a component of shareholders' equity. Translation gains or losses are not released to net income unless the associated net investment has been sold, liquidated, or substantially liquidated.

Foreign currency transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate prevailing on the transactions dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the applicable exchange rates at the balance sheet dates. Net gains and losses resulting from foreign exchange transactions are included in interest and other income, net.

Net foreign currency transaction gains or losses arise from transacting in a currency other than the functional currency of the entity and the amounts recorded were immaterial for each of the periods presented.

2. Significant Accounting Policies (Continued)

Net Income per share

Basic net income per share is computed using the weighted average number of ordinary shares outstanding during the period. Options and RSUs are not considered outstanding in computation of basic earnings per share. Diluted net income per share is computed using the weighted average number of ordinary shares and potential ordinary shares outstanding during the period, which include options to purchase ordinary shares, restricted share units and conversion of the convertible debt. The computation of diluted net income per share does not assume conversion, exercise, or contingent issuance of securities that would have an anti-dilutive effect (i.e. an increase in earnings per share amounts or a decrease in loss per share amounts) on net income per share. The Group uses the two-class method to calculate net income per share though both classes share the same rights in dividends. Therefore, basic and diluted earnings per share are the same for both classes of ordinary shares.

Segment reporting

In accordance with ASC 280, Segment Reporting, the Group's chief operating decision maker ("CODM"), the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. The Group currently operates and manages its business in two principal business segments globally—advertising and marketing services and value-added services. Information regarding the business segments provided to the Group's CODM is at the revenue level and the Group currently does not allocate operating costs or assets to its segments, as its CODM does not use such information to allocate resources or evaluate the performance of the operating segments. As the Group's long-lived assets are substantially all located in the PRC and substantially the Group's revenues are derived from within the PRC, no geographical information is presented.

Concentration of risks

Concentration of credit risk. Financial instruments that potentially subject the Group to a concentration of credit risk consist primarily of cash and cash equivalents, short-term investments and accounts receivable. In addition, with the majority of its operations in China, the Group is subject to RMB currency risk and offshore remittance risk, both of which have been difficult to hedge and the Group has not done so. The Group limits its exposure to credit loss by depositing its cash and cash equivalents with financial institutions in the US, PRC and Hong Kong, which are among the largest and most respected with high ratings from internationally-recognized rating agencies, that management believes are of high credit quality. The Group periodically reviews these institutions' reputations, track records and reported reserves.

As of December 31, 2018 and March 31, 2019, the Group had $1.73 billion and $1.40 billion, respectively, in cash and bank time deposits (with terms generally up to twelve months) with large domestic banks in China. China promulgated a Bankruptcy Law that came into effect on June 1, 2007, which contains a separate article expressly stating that the State Council may promulgate implementation measures for the bankruptcy of Chinese banks based on the Bankruptcy Law. Under the Bankruptcy Law, a Chinese bank may go bankrupt. In addition, since China's concession to WTO, foreign banks have been gradually permitted to operate in China and have become significant

2. Significant Accounting Policies (Continued)

competitors to Chinese banks in many aspects, especially since the opening of RMB business to foreign banks in late 2006. Therefore, the risk of bankruptcy on Chinese banks in which the Group holds cash and bank deposits has increased. In the event that a Chinese bank that holds the Group's deposits goes bankrupt, the Group is unlikely to claim its deposits back in full, since it is unlikely to be classified as a secured creditor to the bank under the PRC laws.

Alibaba accounted for 8% and 4% of the Group's revenues for the three months ended March 31, 2018 and 2019, respectively. No other customer nor advertising agency accounted for 10% or more of the Group's revenues. The Group's top 10 advertising agencies contributed to 29%, and 32% of the Group's revenues for the three months ended March 31, 2018 and 2019, respectively.

As of December 31, 2018 and March 31, 2019, substantially all accounts receivable were derived from the Group's China operations. Excluding accounts receivable due from Alibaba and other related parties, accounts receivable primarily consists of amounts due from advertising agencies and direct customers. Alibaba accounted for 13% and 13%, respectively, of the Group's net accounts receivables as of December 31, 2018 and March 31, 2019, while one customer accounted for 22% and 19%, respectively, at the same dates.

Concentration of foreign currency risks. The majority of the Group's operations were in RMB. As of December 31, 2018 and March 31, 2019, the Group's cash, cash equivalents and short-term investments balance denominated in RMB was $950.8 million and $718.1 million, accounting for 52% and 48% of the Group's total cash, cash equivalents and short-term investments balance, respectively. As of December 31, 2018 and March 31, 2019, the Group's aggregate net accounts receivable balance (including accounts receivable due from third parties, Alibaba and other related parties) denominated in RMB was $368.8 million and $455.9 million, respectively, accounting for almost all of its net accounts receivable balance. As of December 31, 2018 and March 31, 2019, the Group's current liabilities balance denominated in RMB was $620.4 million and $683.9 million, accounting for 99% and 93% of its total current liabilities balance. Accordingly, the Group may experience economic losses and negative impacts on earnings and equity as a result of exchange rate fluctuations of the RMB. Moreover, the Chinese government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. The Group may experience difficulties in completing the administrative procedures necessary to remit its RMB out of the PRC and convert it into foreign currency.

Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments", which will be effective for the Group in the fiscal year of 2020. The guidance replaces the incurred loss impairment methodology with an expected credit loss model for which an entity recognizes an allowance based on the estimate of expected credit loss. In November 2018, the FASB issued an amendment of Topic 326, ASU 2018-19, which clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20 and should be accounted for in accordance with Topic 842, Leases. The Group is currently evaluating the impact of adopting ASU 2016-13 on its consolidated financial statements but does not expect it to have a material impact.

3. Cash, Cash Equivalents, Restricted Cash and Short-term Investments

Cash, cash equivalents, restricted cash and short-term investments consist of the following:

	As of	
	December 31, 2018	March 31, 2019
	(In thousands)	
Cash and cash equivalents:		
Cash	$ 1,234,596	$ 826,990
Restricted cash	—	59,594
Total cash, cash equivalents and restricted cash	$ 1,234,596	$ 886,584
Short-term investments:		
Bank time deposits	$ 591,269	$ 666,244

The carrying amounts of cash, cash equivalents, restricted cash and short-term investments approximate fair value. Interest income was $13.7 million and $17.0 million for the three months ended March 31, 2018 and 2019, respectively. The maturity dates for the time deposits were within one year.

The restricted cash of $59.6 million was included in other assets in the unaudited interim condensed consolidated balance sheets as of March 31, 2019.

4. Long-term Investments

Long-term investments comprised of investments in publicly traded companies, privately held companies, and limited partnerships. The following sets forth the changes in the Group's long-term investments:

	Equity Securities Without Readily Determinable Fair Values	Equity Method	Equity Securities With Readily Determinable Fair Values	Total
		(In thousands)		
Balance at December 31, 2018	$ 570,619	$ 122,491	$ 1,476	$ 694,586
Investments made/transfers from prepayments	134,732	—	—	134,732
Loss from equity method investment	—	(1,550)	—	(1,550)
Disposal of investments	—	(165)	—	(165)
Impairment on investments	(800)	—	—	(800)
Fair value change through earnings	38,582	—	(117)	38,465
Currency translation adjustment	5,400	1,446	—	6,846
Balance at March 31, 2019	$ 748,533	$ 122,222	$ 1,359	$ 872,114

4. Long-term Investments (Continued)

The following table summarizes the total carrying value of the equity investments accounted for under the measurement alternative as of March 31, 2019 including cumulative unrealized upward and downward adjustments made to the initial cost basis of the securities (in thousands):

	Three Months Ended March 31, 2019	Cumulative unrealized upward and downward adjustments
Initial cost basis	$ 705,351	$ 689,885
Upward adjustments	38,582	81,459
Impairment	(800)	(24,357)
Foreign currency translation	5,400	1,546
Total carrying value as of March 31, 2019	$ 748,533	$ 748,533

The Group recorded $38.6 million gains (only upward adjustment) from investments, which were based on identified observable price changes for the three months ended March 31, 2019, indicated by new issuance of identical securities of the same investee or transactions of identical securities by other existing shareholders. The Group did not dispose any interests of these investments and all of the gains were unrealized as of March 31, 2019. The Group classifies the valuation techniques on those investments that use similar identifiable transaction prices as Level 2 of fair value measurements. The Group recognized $0.8 million impairment charge, and recorded no other downward adjustment to investments without readily determinable fair value for the three months ended March 31, 2019.

For the three months ended March 31, 2019, the Group made investments in private high tech companies totaling $134.7 million, which were accounted for under investments without readily determinable fair values. These investments were made, in general to expand and strengthen the Group's ecosystem.

Investments in marketable equity securities are valued using the market approach based on the quoted prices in active markets at the reporting date and were accounted under investments with readily determinable fair values. The Group recorded $0.1 million loss, which was unrealized in the first quarter of 2019, and the fair value of the market security was $1.4 million as of March 31, 2019.

The following table shows the carrying amount and fair value of the equity security:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
December 31, 2018	$ 5,274	$ —	$ (3,798)	$ 1,476
One equity security	$ 5,274	$ —	$ (3,915)	$ 1,359
March 31, 2019	$ 5,274	$ —	$ (3,915)	$ 1,359

The Group recorded investment related impairment charges of $0.8 million and $0.8 million for the three months ended March 31, 2018 and 2019, respectively, as a result of the investments not performing to expectation or them becoming incapable of making repayments.

5. Leases

The Group has operating leases primarily for office spaces in China. The determination of whether an arrangement is or contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Group obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Operating lease assets and liabilities are included in operating lease right-of-use assets, operating lease liabilities, short-term, and operating lease liabilities, long-term on the Group's unaudited interim condensed consolidated balance sheets. The Group has elected to not recognize lease assets and lease liabilities for leases with a term of twelve months or less on the unaudited interim condensed consolidated balance sheets.

Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of lease payments over the lease terms at the lease commencement dates. The Group uses its incremental borrowing rate in determining the present value of lease payments. The incremental borrowing rate is a hypothetical rate based on what the Group's interest rate would be if it borrowed from banks in China.

Certain lease agreements contain an option for the Group to renew a lease for a term agreed by the Group and the lessor or an option to terminate a lease earlier than the maturity dates. The Group considers these options, which may be elected at the Group's sole discretion, in determining the lease term on a lease-by-lease basis. The Group's lease agreements generally do not contain any residual value guarantees or material restrictive covenants. Certain of the Group's leases contain free or escalating rent payment terms. The Group's lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Group has elected to combine payments for non-lease components with lease payments and accounted them together as a single lease component. Payments under the lease arrangements are primarily fixed. However, for arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. Additionally, certain lease agreements with SINA contain variable payments, which are determined based on actual SINA headquarters spaces occupied by the Group and are expensed as incurred and not included in the operating lease assets and liabilities.

The components of lease cost for the three months ended March 31, 2019 were as follows:

	Three Months Ended March 31, 2019 (In thousands)
Operating lease cost	$ 1,136
Short term lease cost	670
Variable lease cost	1,096
Total lease cost	$ 2,902

5. Leases (Continued)

Other information related to leases was as follows:

	Three Months Ended March 31, 2019
	(In thousands)
Supplemental Cash Flows Information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 1,102

Maturities of lease liabilities under operating leases as of March 31, 2019 were as follows (in thousands):

The remainder of 2019	$ 3,950
2020	5,067
2021	4,491
2022	970
Total future lease payments	14,478
Less: imputed interest	(173)
Total lease liabilities	$ 14,305

As of March 31, 2019, operating leases recognized in lease liabilities have average remaining lease terms of 2.98 years and weighted-average discount rate of 5%. As of March 31, 2019, the Group had no lease contract that has been entered into but not yet commenced.

6. Goodwill and Intangible Assets

The following sets forth the changes in the Group's goodwill by segment:

	Advertising & Marketing	Value-added services	Total
		(In thousands)	
Balance as of December 31, 2018	$ 27,155	$ 2,191	$ 29,346
Currency translation adjustment	674	54	728
Balance as of March 31, 2019	$ 27,829	$ 2,245	$ 30,074

As of December 31, 2018 and March 31, 2019, the balance of goodwill was $29.3 million and $30.1 million, respectively. The increase of its balance in the three months ended March 31, 2019 was mainly due to the appreciation of the Renminbi and was reflected in currency translation adjustment in unaudited interim condensed consolidated financial statements.

6. Goodwill and Intangible Assets (Continued)

The following table summarizes the Group's intangible assets arising from acquisitions:

	As of December 31, 2018			As of March 31, 2019		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
		(In thousand)			(In thousand)	
Technology	$ 8,978	$ (2,594)	$ 6,384	$ 9,201	$ (2,864)	$ 6,337
Trademark and Domain name	5,623	(147)	5,476	5,763	(301)	5,462
Supplier-relationship	9,738	(495)	9,243	9,979	(1,014)	8,965
Others	2,326	(2,326)	—	2,384	(2,384)	—
Total	$ 26,665	$ (5,562)	$ 21,103	$ 27,327	$ (6,563)	$ 20,764

As of March 31, 2019, the Group's intangible assets totaled $20.8 million, mainly consisted of technology, trademark and domain name, and supplier-relationship from previous acquisitions. The amortization expense for the three months ended March 31, 2018 and 2019 was $0.2 million and $0.9 million, respectively. As of March 31, 2019, estimated amortization expenses for future periods are expected as follows:

Twelve Months Ended March 31,	(In thousands)
2020	$ 3,447
2021	3,447
2022	3,447
2023	3,447
2024 and thereafter	6,976
Total expected amortization expense	$ 20,764

7. Stock-Based Compensation

In August 2010, the Company adopted the 2010 Share Incentive Plan (the "2010 Plan"), which has a term of ten years and permits the grant of options, share appreciation rights, restricted shares and restricted share units of the Company to employees, directors and consultants of the Company and its affiliates. Under the plan, a total of 35 million ordinary shares were initially reserved for issuance. The maximum number of ordinary shares available for issuance will be reduced by one share for every one share issued pursuant to a share option or share appreciation right and by 1.75 share for every one share issued as restricted shares or pursuant to a restricted shares unit. In March 2014, the 2010 Plan was terminated and all remaining shares were forwarded to the 2014 Plan.

In March 2014, the Company adopted the 2014 Share Incentive Plan (the "2014 Plan"), which was funded by the remaining 4.6 million shares from the 2010 Plan plus an additional 1.0 million shares. On January 1, 2015, shares in the 2014 Plan, which have a term life of ten years, were allowed a one-time increase in the amount equal to 10% of the total number of Weibo shares issued and outstanding on a fully-diluted basis as of December 31, 2014. Each share in the 2014 Plan pool allows for a grant of a restricted share unit or option share. The Company intends to use such share incentive plan to attract and retain employee talent.

7. Stock-Based Compensation (Continued)

The following table sets forth the stock-based compensation included in each of the relevant accounts:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2019
	(In thousands)	
Cost of revenues	$ 1,011	$ 1,112
Sales and marketing	1,968	2,039
Product development	5,051	6,058
General and administrative	2,984	3,686
	$ 11,014	$ 12,895

Stock based compensation related to the grants were amortized generally over four years on a straight-line basis with $11.0 million and $12.9 million expensed for the three months ended March 31, 2018 and 2019, respectively.

The following table sets forth a summary of the number of shares available for issuance:

	Shares Available (In thousands)
December 31, 2018	17,293
Addition	—
Granted*	(767)
Cancelled/expired/forfeited	77
March 31, 2019	16,603

* During the three months ended March 31, 2019, 0.8 million restricted share units were granted under the 2014 Plan. No options were granted for the three months ended March 31, 2019.

7. Stock-Based Compensation (Continued)

Stock Options

The following table sets forth a summary of option activities under the Company's stock option program:

	Options Outstanding (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (In thousands)
December 31, 2018	184	$ 3.45	1.5	$ 10,089
Granted	—			
Exercised	(13)	$ 3.35		
Cancelled/expired/forfeited	—			
March 31, 2019	171	$ 3.46	1.3	$ 9,980
Vested and expected to vest as of March 31, 2019	171	$ 3.46	1.3	$ 9,980
Exercisable as of March 31, 2019	171	$ 3.46	1.3	$ 9,980

The total intrinsic value of options exercised for the three months ended March 31, 2019 was $0.8 million. The intrinsic value is calculated as the difference between the market value on the date of exercise and the exercise price of the shares. As reported by the NASDAQ Global Selected Market, the Company's ending stock price as of December 31, 2018 and March 31, 2019 was $58.43 and $61.99, respectively. Cash received from the exercise of stock option during the three months ended March 31, 2018 and 2019 was $0.3 million and $45 thousand, respectively.

Information regarding stock options outstanding at March 31, 2019 is summarized below:

Range of Exercise Prices	Options Outstanding (In thousands)	Weighted Average Exercise Price	Options Exercisable (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (In years)
$3.25 - $3.36	21	$ 3.27	21	$ 3.27	0.7
$3.43 - $3.50	150	$ 3.48	150	$ 3.48	1.4
	171	$ 3.46	171	$ 3.46	1.3

7. Stock-Based Compensation (Continued)

Restricted Share Units

Summary of Performance-Based Restricted Share Units

The following table sets forth a summary of performance-based restricted share unit activities:

	Shares Granted	Weighted-Average Grant Date Fair Value
December 31, 2018	4	$ 87.14
Awarded	188	$ 87.14
Vested	(4)	$ 87.14
Cancelled	(28)	$ 87.14
March 31, 2019	160	$ 87.14

As of March 31, 2019, there was 11.2 million unrecognized compensation cost, adjusted for estimated forfeitures, related to performance-based restricted share units granted to the Company's employees.

Summary of Service-Based Restricted Share Units

The following table sets forth a summary of service-based restricted share unit activities:

	Shares Granted (In thousands)	Weighted-Average Grant Date Fair Value
December 31, 2018	2,756	$ 48.62
Awarded	579	$ 57.11
Vested	(181)	$ 18.52
Cancelled	(49)	$ 50.68
March 31, 2019	3,105	51.93

As of March 31, 2019, unrecognized compensation cost, adjusted for estimated forfeitures and related to non-vested, service-based restricted share units granted to the Company's employees and directors, was $132.2 million. This cost is expected to be recognized over a weighted-average period of 3.5 years. The total fair value based on the vesting date of the restricted share units vested was $2.7 million and $3.4 million for the three months ended March 31, 2018 and 2019, respectively.

8. Other Balance Sheet Components

	As of March 31, 2018	As of December 31, 2018	As of March 31, 2019
		(In thousands)	
Accounts receivable, net:			
Due from third parties		$ 201,835	$ 279,752
Due from Alibaba		48,222	57,782
Due from other related parties		131,465	137,347
Total gross amount		$ 381,522	$ 474,881
Allowance for doubtful accounts:			
Balance at the beginning of the year/period	(8,114)	(8,114)	(12,429)
Additional provision charged to expenses, net	(1,383)	(6,226)	(6,299)
Write-off	5	1,911	63
Balance at the end of the year/period	(9,492)	(12,429)	(18,665)
		$ 369,093	$ 456,216
Prepaid expenses and other current assets:			
Rental and other deposits		$ 684	$ 480
Deductible value-added taxes		4,539	1,548
Prepayment for investments		106,256	203,215
Advertising prepayment		4,575	2,687
Prepayment to outsourced service providers		4,730	4,427
Amounts deposited by users*		30,631	33,138
Content fees		11,021	7,489
Others		6,385	16,879
		$ 168,821	$ 269,863
Property and equipment, net:			
Computers and equipment		$ 124,241	$ 131,969
Leasehold improvements		5,008	5,202
Furniture and fixtures		1,677	1,716
Others		2,696	3,120
Property and equipment, gross		133,622	142,007
Less: Accumulated depreciation		(87,999)	(94,893)
		$ 45,623	$ 47,114
Accrued and other liabilities:**			
Payroll and welfare		$ 56,349	$ 46,233
Marketing expenses		49,998	56,290
Payroll withholding taxes		3,547	3,547
Sales rebates		95,121	118,313
Professional fees		8,249	6,730
VAT and other tax payable		48,651	41,994
Payable to other service providers		1,266	1,374
Amounts due to users*		30,631	33,138
Unpaid consideration for acquisition and investment		10,000	50,000
Others		13,625	15,751
		$ 317,437	$ 373,370

* Weibo wallet enables users to conduct interest-generation activities on Weibo, such as handing out "red envelopes" and coupons to users and purchase different types of products and services on Weibo, including those offered by the Group, such as marketing services and VIP membership, and those offered by Weibo's platform partners, such as e-commerce merchandises, financial products and virtual gifts. Amounts deposited by users primarily represent the receivables temporarily held in Weibo's account on a third party online payment platform for Weibo wallet users. Amounts due to users represent the balances that are payable on demand to Weibo wallet users and therefore are reflected as current liability on the unaudited interim condensed consolidated balance sheets.

** Include amounts due to third parties, employees, related parties (see Note 10) and Weibo wallet users.

9. Income Taxes

The Company is incorporated in the Cayman Islands and mainly operates in two taxable jurisdictions—the PRC and Hong Kong.

The Group's income before income taxes is as follows:

	Three Months Ended March 31,	
	2018	2019
	(In thousands, except percentage)	
Income before income tax expenses	$ 117,008	$ 171,647
Less: income (loss) from non-China operations	$ (10,745)	$ 24,917
Income from China operations	$ 127,753	$ 146,730
Income tax expense applicable to China operations	$ 18,297	$ 21,073
Effective tax rate for China operations	14.3%	14.4%

The Company generated the majority of its operating income from PRC operations and has recorded income tax provision for the periods presented. Stock-based compensation was recorded in the Company's loss from non-China operations.

Cayman Islands

Under the current tax laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is required.

Hong Kong

Weibo HK is subject to taxes in Hong Kong at 16.5% for all the periods presented.

China

Effective January 1, 2008, the Enterprise Income Tax Law (the "EIT Law") in China unifies the enterprise income tax rate for the entities incorporated in China at 25%, unless they are eligible for preferential tax treatment. On February 22, 2008, relevant governmental regulatory authorities released the qualification criteria, application procedures and assessment processes for "software enterprise," which can enjoy an income tax exemption for two years beginning with its first profitable year and a 50% tax reduction, at a rate of 12.5% for the subsequent three years. The Group's WFOE is a qualified software enterprise and, and enjoyed a reduced enterprise income tax rate of 12.5% for the three months ended March 31, 2018 and 2019.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located." Based on a review of surrounding facts and circumstances, the Group

9. Income Taxes (Continued)

does not believe that it is likely that its operations outside of the PRC be considered a resident enterprise for PRC tax purposes. However, due to limited guidance and implementation history of the EIT Law, should Weibo be treated as a resident enterprise for PRC tax purposes, the Company will be subject to PRC tax on worldwide income at a uniform tax rate of 25% retroactive to January 1, 2008.

The EIT Law also imposes a withholding income tax rate of 10% on dividends distributed by a WFOE to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company was incorporated, does not have such tax treaty with China. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by a WFOE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% of the shares of the WFOE). The State Administration of Taxation further promulgated Circular 601 on October 27, 2009, which provides that tax treaty benefits will be denied to "conduit" or shell companies without business substance and that a beneficial ownership analysis will be used based on a "substance-over-form" principle to determine whether or not to grant the tax treaty benefits.

The operations of the Group's WFOE in China is invested and held by Weibo HK. If the Company is regarded as a non-resident enterprise and Weibo HK is regarded as a resident enterprise, then Weibo HK may be required to pay a 10% withholding tax on any dividends payable to the Company. If Weibo HK is regarded as a non-resident enterprise, then Weibo Technology may be required to pay a 5% withholding tax for any dividends payable to Weibo HK. However, it is still unclear at this stage whether Circular 601 applies to dividends from Weibo Technology paid to Weibo HK. If Weibo HK were not considered as "beneficial owners" of any dividends from Weibo Technology, the dividends payable to Weibo HK would be subject to a withholding tax of 10%. In accordance with accounting guidance, all undistributed earnings are presumed to be transferred to Weibo Corporation and are subject to the withholding taxes. The current policy approved by the Company's board of directors allows the Group to distribute PRC earnings offshore only if the Group does not have to pay a dividend tax. As of March 31, 2019, the Group did not record any withholding tax for its PRC subsidiaries.

10. Related Party Transactions

The following sets forth significant related parties and their relationships with the Company:

Company Name	Relationship with the Company
SINA	Parent and affiliates under common control.
Alibaba	Strategic partner and significant shareholder of the Company.

In the first quarter of 2019, the Group entered in to a series of one-year loan agreements with SINA pursuant to which SINA is entitled to borrow from the Group to facilitate SINA's business

10. Related Party Transactions (Continued)

operations. SINA has withdrawn a total of $187.4 million loan from the Group during the three months ended March 31, 2019. As of March 31, 2019, the loans to SINA totaled $233.9 million.

The following sets forth significant related party transactions with the Company:

	Three Months Ended March 31,	
	2018	2019
	(In thousands)	
Transactions with SINA		
Revenue billed through/for service provided to SINA(1)	$ 21,558	$ 24,380
Costs and expenses allocated from SINA(2)	$ 11,010	$ 13,125
Interest income on loans to SINA	$ —	$ 2,096

(1) For the three months ended March 31, 2018 and 2019, the Group charged $21.6 million and $24.4 million for services provided to SINA or to third parties billed through SINA, respectively.

(2) Costs and expenses allocated from SINA represented the charges for certain services provided by SINA's affiliates and charged to the Group using actual cost allocation based on proportional utilization. In addition to the allocated costs and expenses, SINA also billed $4.4 million and $7.8 million for other costs and expenses incurred by Weibo but paid by SINA for the three months ended March 31, 2018 and 2019, respectively.

	Three Months Ended March 31,	
	2018	2019
	(In thousands)	
Transactions with Alibaba		
Advertising and marketing services provided to Alibaba	$ 26,336	$ 16,635
Services provided by Alibaba	$ 12,754	$ 14,129

The following sets forth related party outstanding balance:

	As of	
	December 31, 2018	March 31, 2019
	(In thousands)	
Amount due from SINA(3)	$ 105,319	$ 310,237
Accounts receivable due from Alibaba	$ 48,222	$ 57,782

(3) The Group uses amount due from/to SINA to settle balances arising from cost and expenses allocated from SINA based on proportional utilization, other expenditures incurred by the Weibo business but paid by SINA and third-party customer and supplier balances settled through SINA, as well as business transactions between Weibo and SINA. As of December 31, 2018 and March 31, 2019, the amount due from SINA also included loans to SINA of $43.6 million and $233.9 at an annual interest rate of 4.5% - 4.8%, respectively.

10. Related Party Transactions (Continued)

Other related parties mainly include investee companies on which SINA or Weibo has significant influence. These investees are mainly high-tech companies operating in different internet-related industries, such as short video applications, social and new media marketing services and so on. For the three months ended March 31, 2018 and 2019, advertising and marketing revenues generated from other related parties were $17.7 million and $24.0 million, value-added services revenues from other related parties were $6.2 million and $1.1 million, and the Group received promotional services from other related parties amounting to approximately $2.6 million and $1.3 million, respectively. As of December 31, 2018 and March 31, 2019, net accounts receivable due from other related parties was $130.8 million and $136.7 million, accounts payable due to other related parties were $31.2 million and $47.7 million, and accrued and other liabilities due to other related parties were $14.4 million and $54.4 million, respectively. Within other related parties, one related party that is an equity investee in the short video business represented $80.9 million and $84.9 million of accounts receivable due from other related parties at December 31, 2018 and March 31, 2019, respectively.

11. Net Income per Share

Basic net income per share is computed using the weighted average number of the ordinary shares outstanding during the period. Options and RSUs are not considered outstanding in the computation of basic earnings per share ("EPS"). Diluted EPS is computed using the weighted average number of ordinary shares and potential ordinary shares outstanding during the period under the treasury stock method. For the three months ended March 31, 2018 and 2019, options to purchase ordinary shares and RSUs of 3.1 million and 1.2 million, respectively, as well as the number of "if converted" shares related to convertible debt of 6.8 million in the first quarter of 2019, were recognized as dilutive factors and included in the calculation of diluted net income per share.

11. Net Income per Share (Continued)

The following table sets forth the computation of basic and diluted net income per share for the periods indicated:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2019
	(In thousands, except per share data)	
Basic net income per share calculation:		
Numerator:		
Net income attributable to Weibo	$ 99,085	$ 150,442
Denominator:		
Weighted average ordinary shares outstanding	222,902	224,924
Basic net income per share attributable to Weibo	$ 0.44	$ 0.67
Diluted net income per share calculation:		
Numerator:		
Net income attributable to Weibo	$ 99,085	$ 150,442
Add: Effect on interest expenses and amortized issuance cost of convertible debt	—	3,848
Net income attributable for calculating diluted net income per share	99,085	154,290
Denominator:		
Weighted average ordinary shares outstanding	222,902	224,924
Weighted average ordinary shares equivalents:		
Effects of dilutive securities		
Stock options	387	172
Unvested restricted share units	2,682	1,045
Convertible debt	—	6,753
Shares used in computing diluted net income per share attributable to Weibo	225,971	232,894
Diluted net income per share attributable to Weibo	$ 0.44	$ 0.66

12. Segment Information

The Group currently operates and manages its business in two principal business segments globally—advertising and marketing services and value-added services. Information regarding the business segments provided to the Group's chief operating decision makers ("CODM"), its Chief Executive Officer, is at the revenue level and the Group currently does not allocate operating costs or assets to its segments, as its CODM does not use such information to allocate resources or evaluate the performance of the operating segments. As substantially all of the Group's revenues are derived from within the PRC and substantially all of the Group's long-lived assets are located within the PRC, no geographical information is presented.

12. Segment Information (Continued)

The following is a summary of the Group's revenues:

Revenues	Advertising & Marketing	Value-added services	Total
		(In thousand)	
Three months ended March 31, 2018	$ 302,949	$ 46,934	$ 349,883
Three months ended March 31, 2019	$ 341,141	$ 58,036	$ 399,177

13. Fair Value Measurement

The following table summarizes, for assets measured at fair value on a recurring basis, the respective fair value and the classification by level of input within the fair value hierarchy as of December 31, 2018 and March 31, 2019:

	Fair Value Measurements (in thousands)			
	Total	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2018:				
Bank time deposits*	$ 591,269	$ —	$ 591,269	$ —
Equity securities with readily determinable market value**	1,476	1,476	—	—
Total	$ 592,745	$ 1,476	$ 591,269	$ —
As of March 31, 2019:				
Bank time deposits*	$ 666,244	$ —	$ 666,244	$ —
Equity securities with readily determinable market value**	1,359	1,359	—	—
Total	$ 667,603	$ 1,359	$ 666,244	$ —

* Included in short-term investments on the Group's unaudited interim condensed consolidated balance sheets.

** Included in long-term investments on the Group's unaudited interim condensed consolidated balance sheets.

Recurring

The Group measures bank time deposits and securities with readily determinable fair values on a recurring basis.

The fair value of the Group's securities with readily determinable fair values is determined based on the quoted market price (Level 1). The fair value of the Group's bank time deposits is determined based on the quoted market price for similar products (Level 2).

13. Fair Value Measurement (Continued)

Non-recurring

For those investments without readily determinable fair value, the Group measures them at fair value when observable price changes are identified or impairment charge were recognized. The fair values of the Group's privately held investments as disclosed are determined based on the discounted cash flow model using the discount curve of market interest rates or based on the similar transaction price in the market directly. The Group classifies the valuation techniques on those investments that use similar identifiable transaction prices as Level 2 of fair value measurements.

The Group measures equity method investments at fair value on a non-recurring basis only if an impairment charge is recognized. For the three months ended March 31, 2018 and 2019, certain privately held investments were measured using significant unobservable inputs (Level 3) and written down from their respective carrying values to fair values, considering the investees' financial performance, assumptions about future growth, and future financing plan, with impairment charges incurred and recorded in earnings for the periods. The impairment charges related to these investments were $0.2 million and $0.8 million for the three months ended March 31, 2018 and 2019, respectively.

The Group's non-financial assets, such as intangible assets, goodwill and fixed assets, are measured at fair value only if they were determined to be impaired. In accordance with the Group's policy to perform an impairment assessment of its goodwill on an annual basis as of the balance sheet date or when facts and circumstances warrant a review, the Group performed an impairment assessment on its goodwill by reporting unit annually.

The carrying amount of cash and cash equivalents, short-term investments, accounts receivable due from third parties, accounts receivable due from Alibaba, accounts receivable due from other related parties, amount due from SINA, accounts payable, accrued and other liabilities, operating lease liability, short-term approximates fair value because of their short-term nature.

14. Convertible Debt

In October 2017, the Company issued $900 million in aggregate principal amount of 1.25% coupon interest convertible senior notes due on November 15, 2022 ("2022 Notes") at par. The Notes may be converted into Weibo's American depositary shares ("ADSs"), each representing one Class A ordinary share of the Company, at the option of the holders, which is equivalent to an initial conversion price of approximately US$133.27 per ADS, subject to adjustment. The conversion rate may be adjusted under certain circumstances, such as distribution of dividends and stock splits. In addition, upon a make-whole fundamental change prior to the maturity date of the notes, the Company will, under certain circumstances, increase the applicable conversion rate for a holder that elects to convert its notes in connection with such make-whole fundamental change.

The net proceeds to the Company from the issuance of the 2022 Notes were $879.3 million, net of issuance cost of $20.7 million. The Company will pay cash interest at an annual rate of 1.25% on the 2022 Notes, payable semiannually in arrears in cash on May 15 and November 15 of each year, beginning May 15, 2018. The issuance costs of the 2022 Notes are being amortized to interest expense over the contractual life. For the three months ended March 31, 2018 and 2019, the 2022 Notes related interest expenses were $3.8 million and $3.8 million, respectively.

15. Commitments and Contingencies

Operating lease commitments include the commitments under the lease agreements for the Group's office premises. The Group leases its office facilities under non-cancelable operating leases with various expiration dates through 2023. For the three months ended March 31, 2018 and 2019, lease expense was $2.9 million and $2.9 million, respectively. Based on the current rental lease agreements, future minimum lease payments commitments as of March 31, 2019 were as follows:

Operating lease commitments	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
			(In thousands)		
As of March 31, 2019:	$ 30,813	$ 10,984	$ 18,703	$ 1,126	$ —

Purchase commitments mainly include minimum commitments for internet connection and marketing activities.

Purchase commitments as of March 31, 2019 were as follows:

Purchase commitments	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
			(In thousands)		
As of March 31, 2019:	$ 773,195	$ 747,189	$ 26,006	$ —	$ —

2022 Notes represent the future maximum commitments relating to the principal amount and interests in connection with the issuance of $900 million in aggregate principal amount of 1.25% coupon interest convertible senior notes, which will mature on November 15, 2022.

2022 Notes	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
			(In thousands)		
As of March 31, 2019:	$ 945,000	$ 11,250	$ 22,500	$ 911,250	$ —

There are uncertainties regarding the legal basis of the Group's ability to operate an Internet business in China. Although China has implemented a wide range of market-oriented economic reforms, the telecommunication, information and media industries remain highly regulated. Not only are such restrictions currently in place, the existing regulations are unclear as to which specific segments of these industries companies with foreign investors, including the Company, may operate. Therefore, the Group may be required to limit the scope of its operations in China, and this could have a material adverse effect on its financial position, results of operations and cash flows.

There are no claims, lawsuits, investigations or proceedings, including unasserted claims that are probable to be assessed, that have in the recent past had, or to the Group's knowledge, are reasonably possible to have, a material impact on the Group's financial statements.

16. Subsequent Events

In June 2019, the board of directors (the "Board") of the Company authorized the Company to offer unsecured senior notes (the "notes") up to a certain aggregate principal amount in a capital markets transaction, subject to market conditions. The net proceeds from the notes will be used for general corporate purposes.

The terms of the notes have not been finalized and will be determined at the time of the offering.