This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

AdTiger

ADTIGER CORPORATIONS LIMITED
虎視傳媒有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1163)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The Board announces the consolidated annual results of the Group for the year ended 31 December 2021, together with comparative figures for the year ended 31 December 2020.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2021	2020	Period-to-Period Change
	RMB'000	*RMB'000*	*%*
Revenue	**351,831**	210,322	67.3
Gross profit	**65,858**	42,663	54.4
Profit for the year	**11,893**	2,888	311.8
Adjusted profit for the year *(Note)*	**11,893**	15,534	(23.4)

Note: Adjusted profit for the year is defined as profit for the year excluding the one-off Listing expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are an online advertising platform that connects our advertisers with our media publishers, either directly or indirectly through resellers designated by our media publishers. With a view to providing China-based advertisers with overseas online advertising services, it has consistently been our strategy to cover top media publishers, including overseas media such as Facebook, Google, Snapchat, Twitter and Yahoo and top-tier Chinese media platforms such as ByteDance, Kuaishou and iFeng.com so that our advertiser customers can optimise their ad placement and acquire users globally by advertising thereon. We are a partner in the Google AdWords Reseller Programme (since 2016), a China Agency Partner of Facebook (since 2017), a Snapchat sales representative authorised by Baidu (since 2018), a dealer for TikTok（since 2018), a China advertising partner of BIGO Ads (since 2020), a certified agent of Taboola (since 2021), and an overseas advertising partner of Kwai (since 2021). We continue to expand our media coverage and maintain close relationships with such media to provide better placement return for our advertisers.

In 2020, we were awarded the title of Snapchat's Official Certified Partner and Lens Creative Partner in China, the Best Value-Added Operation Partner for TikTok Ads, as well as BIGO Ads' 2020 high-quality partner in China. We were also named the fastest growing digital marketing company in 2020 in the 20th IAI International Advertising Awards.

In 2021, we became the first certified agency of Taboola Pro in Greater China, as well as Kwai's overseas advertising partner.

Our services are empowered by our proprietary ad optimisation and management platform — AdTensor. AdTensor utilises AI technology to conduct ad optimisation and management automatically, intelligently and in real time. Our big data and AI capabilities enable us to achieve advertising targets for our advertisers by delivering appropriate ad content to the ad inventories where they are most likely to be converted, and at the same time maximising the monetisation potential of our media publishers.

AdTensor forms an integral part of our mobile advertising services, offering optimisers a comprehensive analysis in respect of our key operating indicators.

We have accumulated a diverse base of advertisers from various industries, including utility and content app developers, as well as companies in e-commerce, media, tourism, finance, games, education, medical and film industries. The number of our advertisers reached 596 as at 31 December 2021 (as at 31 December 2020: 375).

We have strategically focused on covering top media publishers, including Facebook, Google, TikTok, Snapchat, Kwai and Taboola. We help to match our media publishers' available ad inventories with appropriate ad campaigns that maximise their monetisation potential. Our number of media publishers from whom we purchased ad inventories reached 32 for the year ended 31 December 2021 (for the year ended 31 December 2020: 27). We plan to expand our media publisher base to include a combination of top, medium- and long-tail media publishers in the future, especially those medium- and long-tail media publishers that have global presence and have large operations in certain countries or regions. On 29 March 2021, with an aim to further develop the digital marketing market in China, the Group established a wholly-owned subsidiary, Adtiger Technology Company Limited (虎視科技有限公司) ("**Adtiger Technology**"), in Jimo Economic Development Zone in Shandong Province, and Adtiger Technology will be the Group's headquarter in China. On 21 May 2021, in order to capture the opportunities presented by the policies and market development of Hainan Free Trade Port and to accelerate the deployment of the digital marketing business in China, Adtiger Technology established a wholly-owned subsidiary, Hainan Adtiger Information Technology Co., Ltd. (海南虎視信息技術有限公司) ("**Hainan Subsidiary**"), which is principally engaged in, among other things, brand management, advertising design and agency, advertising release, digital content production services and marketing planning. Coupled with the foregoing, since the fourth quarter of 2020, the Company has gradually developed cooperative relationships with top-tier Chinese media platforms such as ByteDance, Kuaishou and iFeng.com and covered the Chinese customers from a wide variety of sectors such as internet service providers, social networking, gaming and e-commerce.

Driven by the demands from advertisers and media publishers and the growing competition in the online advertising industry, our R&D team is focused on improving our ad formats and ad creatives as well as supporting the development and maintenance of AdTensor. In order to strengthen the competitive advantage in video AI algorithm capabilities, and considering that AI technology is one of the core technologies supporting Metaverse (the next generation of the Internet), we plan to break through in the cutting-edge areas of AI on video, etc.

Notwithstanding the outbreak of COVID-19 during the year ended 31 December 2021, the Group has maintained a diverse group of advertisers and amicable relationships with the existing advertisers and media publishers. Meanwhile, the Group has expanded its scale and enhanced its reputation by tapping into other potential markets of digital marketing, which is conducive to adapting to the rapid changes in the demands of advertising industry. The Group will continue to closely monitor the development of COVID-19 and take appropriate measures in advance.

In the midst of the factors affecting our business operations which are not within our control, in addition to uncertainty surrounding the outbreak of COVID-19, we (i) prioritised the new demands of our advertisers and allocated more human resources in helping our advertisers minimise the impact of COVID-19 so as to retain our advertisers; (ii) upgraded our online advertising platform in order to achieve better return on investment for our advertisers given the increased price of ad inventories of our major media publishers; and (iii) reallocated the net proceeds received from the Global Offering among the intended uses as described in the section headed "Use of Proceeds".

FINANCIAL REVIEW

Year Ended 31 December 2021 Compared to Year Ended 31 December 2020

Revenue

During the Year, we generated all our revenue from the provision of online advertising services.

The following table sets forth the breakdown of revenue by CPA and CPC/CPM pricing models for the periods indicated:

	For the year ended 31 December			
	2021		2020	
	RMB'000	*%*	*RMB'000*	*%*
Revenue				
CPA pricing model				
— specified action revenue	**309,524**	**88.0**	174,422	82.9
CPC/CPM pricing model				
— specified action revenue	**324**	**0.1**	819	0.4
— agreed rebates	**41,983**	**11.9**	35,081	16.7
— Sub-total	**42,307**	**12.0**	35,900	17.1
Total	**351,831**	**100.0**	210,322	100.0

The following table sets forth a breakdown of our revenue by advertisement types and their respective percentages of our total revenue for the periods indicated:

	For the year ended 31 December			
	2021		2020	
	RMB'000	*%*	*RMB'000*	*%*
Utility and content app develops	**168,320**	**47.8**	99,227	47.2
E-commerce	**157,559**	**44.8**	94,081	44.7
Tourism	**11,094**	**3.2**	4,200	2.0
Finance	**4,697**	**1.3**	3,650	1.7
Education	**2,069**	**0.6**	3,326	1.6
Others *Note*	**8,092**	**2.3**	5,838	2.8
Total	**351,831**	**100.0**	210,322	100.0

Note: Others primarily include advertisements in the games, media, medical and film industries.

Our total revenue increased by RMB141.5 million, or 67.3%, from RMB210.3 million for the year ended 31 December 2020 to RMB351.8 million for the year ended 31 December 2021, which primarily reflected an increase of RMB135.1 million in revenue from CPA pricing model and an increase of RMB6.4 million in revenue from CPC/CPM pricing model mainly attributable to the expansion of our business scale and the increase in our advertiser base.

Cost of Sales

Our cost of sales primarily consists of (i) traffic acquisition costs we paid to media publishers who provide us with ad inventories either directly or through their resellers; (ii) expenses for external optimisers and designers for designing ad content and optimising our ad placements; (iii) salaries and benefits for internal optimisers and designers; and (iv) server costs.

The following table sets forth a breakdown of our cost of sales, including the breakdown of the traffic acquisition costs recognised in the cost of sales which only relate to the CPA pricing model, as well as the breakdown of the traffic acquisition costs by major media publishers, for the periods indicated:

	For the year ended 31 December			
	2021		2020	
	RMB'000	*%*	*RMB'000*	*%*
Cost of Sales				
Traffic acquisition costs [Note]				
Facebook	**135,882**	**47.5**	102,491	61.1
Google	**77,237**	**27.0**	35,106	20.9
TikTok	**22,154**	**7.7**	2,325	1.4
Toutiao	**11,985**	**4.2**	1,291	0.8
Others	**18,727**	**6.6**	15,451	9.2
Sub total	**265,985**	**93.0**	156,664	93.4
Expenses for external optimisers and designers	**14,273**	**5.0**	6,250	3.7
Salaries and benefits for internal optimisers and designers	**5,715**	**2.0**	4,742	2.8
Server costs	**—**	**—**	3	0.0
Total	**285,973**	**100.0**	167,659	100.0

Our total cost of sales increased by RMB118.3 million, or 70.6%, from RMB167.7 million for the year ended 31 December 2020 to RMB286.0 million for the year ended 31 December 2021, which primarily reflected (i) an increase of RMB109.3 million, or 69.8%, in traffic acquisition costs resulting from the increased purchase of ad inventory to accommodate the increased ad offers under CPA pricing model; (ii) an increase of RMB1.0 million, or 20.5%, in salaries and benefits for internal optimisers and designers as a result of the increase in the number of our optimisers and designers for the purpose of developing global market and enhancing our services capabilities, which is generally in line with the growth of our business; and (iii) an increase of RMB8.0 million, or 128.4%, in expenses for external optimisers and designers, which was generally in line with the growth of our business.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue.

Our gross profit margin for charging advertisers using the CPC/CPM pricing model is higher compared to our gross profit margin for charging advertisers using the CPA pricing model, because we recognise revenue generated from utilising the CPC/CPM pricing model on a net basis. The following table sets forth a breakdown of our gross profit and gross profit margin of CPA pricing model and CPC/CPM pricing model for the periods indicated:

	For the year ended 31 December	
	2021	2020
	RMB'000/%	*RMB'000/%*
CPA Pricing model		
Revenue	**309,524**	174,422
Cost of sales	**(283,650)**	(165,324)
Gross profit	**25,874**	9,098
Gross profit margin	**8.4%**	5.2%
CPC/CPM pricing model		
Revenue	**42,307**	35,900
Cost of sales	**(2,323)**	(2,335)
Gross profit	**39,984**	33,565
Gross profit margin	**94.5%**	93.5%
Total revenue	**351,831**	210,322
Total cost of sales	**(285,973)**	(167,659)
Total gross profit	**65,858**	42,663
Total gross profit margin	**18.7%**	20.3%

Other Income and Gains

Our other income and gains primarily consist of (i) other advertising income comprising sponsorship fees received from media publishers for our marketing services at joint promotion events; (ii) bank interest income; and (iii) foreign exchange gains.

Our other income and gains decreased by approximately RMB2.1 million, or 65.6%, from approximately RMB3.2 million for the year ended 31 December 2020 to approximately RMB1.1 million for the year ended 31 December 2021, primarily due to a decrease in foreign exchange gains resulting from the appreciation of the RMB against the USD for the year ended 31 December 2021 as compared to the same period in 2020.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of: (i) salaries and benefits for our sales and marketing team; (ii) bonus payments, which primarily consist of bonus payments to our sales and marketing staff based on job performance; and (iii) other selling and distribution expenses, which primarily consist of award application fees and other expenses that are directly related to our marketing and promotion activities.

Our selling and distribution expenses increased by RMB6.5 million, or 232.1%, from approximately RMB2.8 million for the year ended 31 December 2020 to RMB9.3 million for the year ended 31 December 2021, primarily as a result of an increase of RMB6.5 million in salaries and benefits and bonus paid to our sales and marketing personnel, which was in line with our increase in profit for the year in 2021.

Administrative Expenses

Our administrative expenses primarily consist of: (i) employee salaries and benefits, which primarily consist of salaries and benefits for our management, finance and administration team; (ii) depreciation of right-of-use assets in relation to our leased property; (iii) consultancy fees, which primarily consist of service fees we paid to third party professionals for general operational matters such as recruitment agent fees, trademark registration fees and translations fees; (iv) impairment of trade receivables, which primarily consists of the provisions we made for certain past due trade receivables; (v) depreciation and amortisation expenses in relation to our fixed assets comprising mainly computers and equipment; and (vi) other administrative expenses, which primarily consist of travel expenses, office expenses and other miscellaneous expenses.

Our administrative expenses increased by approximately RMB0.8 million, or 2%, from RMB40.6 million for the year ended 31 December 2020 to RMB41.4 million for the year ended 31 December 2021, primarily as a result of the expansion of the Group's business and the increase in number of employees.

Other Expenses

Our other expenses primarily consist of foreign exchange loss and bank service charges. Our other expenses increased by RMB502,000, or 452.3%, from RMB111,000 for the year ended 31 December 2020 to RMB613,000 for the year ended 31 December 2021, primarily because the Company recorded foreign exchange loss in 2021.

Finance Costs

Our finance costs consist of interest expenses associated with our lease liabilities under HKFRS 16 Leases. Our finance costs increased by RMB6,000, or 25%, from RMB24,000 for the year ended 31 December 2020 to RMB30,000 for the year ended 31 December 2021, primarily due to the increase in amortised cost of lease liabilities.

Income Tax Expenses

Our income tax expenses consist of current income tax and deferred tax. We are subject to various rates of income tax under different jurisdictions.

Our income tax expenses increased by approximately RMB4.3 million, or 716.7%, from tax credits of RMB0.6 million for the year ended 31 December 2020 to RMB3.7 million for the year ended 31 December 2021.

Our income tax expense in the PRC changed from tax credits of RMB0.7 million for the year ended 31 December 2020 to RMB5.1 million for the year ended 31 December 2021, primarily due to (i) the increase in taxable profit; and (ii) according to the MOF/STA PN 2019 No. 68 jointly released by the Ministry of Finance and State Taxation Administration, Bejing AdTiger was subject to the income tax rate of 12.5% and 25% for the financial years ended 31 December 2020 and 2021, respectively. Our income tax expense in Hong Kong increased from RMB65,000 for the year ended 31 December 2020 to RMB933,000 for the year ended 31 December 2021, primarily due to the increase in taxable profit.

Profit for the Year

Our profit for the year increased by RMB9.0 million, or 310.3%, from RMB2.9 million for the year ended 31 December 2020 to RMB11.9 million for the year ended 31 December 2021.

Non-HKFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with the HKFRS, we also adopt a non-HKFRS measure for the Year as an additional financial measure, which is not required by, or presented in accordance with, the HKFRS. We believe that such non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of the one-off Listing expenses that our management do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

The table below sets forth our profit and normalised profit, which is adjusted by adding back the one-off Listing expenses, for the period indicated:

	Year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Profit for the year	**11,893**	2,888
Add:		
Listing expenses	**—**	12,646
Non-HKFRS Measure		
Adjusted profit for the year *(Note)*	**11,893**	15,534

Note: Adjusted profit for the year is defined as profit for the year excluding the one-off Listing expenses.

Employees and Remuneration Policies

The following table sets forth a breakdown of our employees by functions as of the date indicated:

	As of 31 December 2021		As of 31 December 2020	
	Number of Employees	***% of Total***	*Number of Employees*	*% of Total*
Optimisers and Designers	**46**	**39.0**	34	51.5
Sales and Marketing	**29**	**24.6**	11	16.7
Operations	**11**	**9.3**	9	13.6
Finance and Administration	**17**	**14.4**	10	15.2
IT and R&D	**15**	**12.7**	2	3.0
Total	**118**	**100.0**	66	100.0

The remuneration of our employees is determined based on their performance, experience, competence and market comparable. We provide our employees with competitive salaries and bonuses determined by performance, housing subsidies, regular team building activities, off sites and internal trainings and opportunities of advancement. The Group's total staff costs (including Directors' emolument, salaries, bonus, social insurance and provident funds) amounted to approximately RMB34.1 million for the year ended 31 December 2021 (year ended 31 December 2020: approximately RMB11.8 million). As required by the PRC laws and regulations, we have made contributions to various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, maternity leave insurance and occupational injury. In addition, competitive salaries and bonuses determined by performance, housing subsidies, regular team building activities, off sites, internal trainings and opportunities of advancement are provided to our employees. Furthermore, we also provide our employees with housing fund as well as offer them a body check every year.

The remuneration of Directors and members of senior management is determined on the basis of each individual's responsibilities, qualification, position, experience, performance and time commitment. They receive compensation in the form of salaries, bonuses, pension right and benefits-in-kind, including the Company's contribution to their retirement benefit schemes on their behalf.

The Company has adopted a share option scheme on 22 June 2020 as incentives or rewards to eligible persons for their contributions to the Group. The purpose of the Post-IPO Share Option Scheme is to incentivise and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. The Post-IPO Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Post-IPO Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Post-IPO Share Option Scheme. During the Year, no option had been granted or agreed to be granted by the Company under the Post-IPO Share Option Scheme.

The Company has also adopted a share award scheme (the "**Share Award Scheme**") on 29 September 2021. The purpose of the Share Award Scheme is (i) to recognise the contributions by selected participants; (ii) to offer suitable incentives to attract and retain talented selected participants who may be beneficial to the growth and development of the Group; and (iii) to align the interests of the selected participants directly to the Shareholders through ownership of the Shares, dividends and other distributions paid on the Shares and/or the increase in the value of the Shares. The Share Award Scheme shall be valid and effective for a term of ten years commencing on 29 September 2021 (the "**Award Period**"), provided no further awards will be granted after the expiry of the Award Period. Since the adoption of the Share Award Scheme, no share awards had been granted or agreed to be granted by the Company. For further details of the Share Award Scheme, please refer to the announcements of the Company dated 29 September 2021 and 19 October 2021.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2021 (as at 31 December 2020: nil).

Liquidity, Financial and Capital Resources

During the Year, the Group continued to maintain a healthy and solid liquidity position by adopting a prudent financial management approach on its financing and treasury policies and we have funded our cash requirements principally from cash generated from our operating activities. As of 31 December 2021, cash and cash equivalents decreased by RMB11.4 million from RMB281.0 million as of 31 December 2020 to RMB269.6 million. The decrease was primarily resulted from purchase of financial assets at fair value.

As at 31 December 2021, the Group's cash and cash equivalents were mainly held in USD and RMB and the Group did not have any interest-bearing bank borrowings. We currently do not use any financial instruments for hedging purposes.

Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associate, and Joint Venture

On 29 March 2021, with an aim to further develop the digital marketing market in China, the Group established a wholly-owned subsidiary, Adtiger Technology. On 21 May 2021, in order to capture the opportunities presented by the policies and market development of Hainan Free Trade Port and to accelerate the deployment of the digital marketing business in China, Adtiger Technology established a wholly-owned subsidiary, Hainan Subsidiary, which is principally engaged in, among other things, brand management, advertising design and agency, advertising release, digital content production services and marketing planning. For further information on Adtiger Technology and Hainan Subsidiary, please refer to the section headed "Business Review" of this announcement.

On 1 September 2021, AdTiger Technology entered into a limited partnership agreement as a limited partner to subscribe for partnership interest in Qingdao Oriza Yuandian Digital Economy Venture Capital Partnership* (青島元禾原點數字經濟創業投資合夥企業) (the "**Fund**"). The Fund is a limited partnership in Qingdao, which mainly focuses on investing in start-up companies in strategic emerging industries, especially on companies in the consumer sector such as 5G (being the fifth generation mobile communication technology), quantum communication and edge computing. The total capital commitment of the Fund is RMB200 million. Pursuant to the limited partnership agreement, AdTiger Technology has committed to a contribution of RMB20 million to the Fund. As at the date of this announcement, we contributed RMB4 million to the Fund and we expect to contribute the remaining RMB16 million by 25 April 2025. The Board considers that participation in the Fund will provide opportunities for the Group to establish contacts with the investee companies in order to explore potential collaborative partnerships. At the same time, the Group's investment in the Fund will allow it to leverage on the network and expertise of, and the resources contributed by the general partner, to create synergies with the Group's existing business and to improve the capital efficiency of the Group. In addition, the Group believes that Fund will enhance the return to shareholders in the long run. For further details, please refer to the announcement of the Company dated 1 September 2021.

Save as disclosed above, there were no significant investments held by the Company nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

* *for identification purposes only*

Capital Commitments

As at 31 December 2021, the Group had contracted but not provided for capital contributions payable to FVTPL at an amount of RMB16 million (as at 31 December 2020: nil).

Charge on the Group's Assets

As at 31 December 2021, none of the Group's assets were charged with any parties or financial institutions (as at 31 December 2020: nil).

Future Plan for Material Investment and Capital Assets

Save as disclosed in the Prospectus and in the sections headed "Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associate, and Joint Venture" and "Use of Proceeds" in this announcement, there was no other plans for material investments and capital assets as at the date of this announcement.

Top Customers

Our top five customers accounted for 43.7% and 76.8% of our revenue for the years ended 31 December 2021 and 2020, respectively, on the basis that the net rebates (rebates we receive from the media publishers minus rebates return to advertisers (if any)) under the CPC/CPM pricing model were to be treated as revenue attributable to the corresponding advertisers. Our largest customer accounted for 18.3% and 37.4% of our revenue for the years ended 31 December 2021 and 2020, respectively, on the basis that the net rebates (rebates we receive from the media publishers minus rebates return to advertisers (if any)) under the CPC/CPM pricing model were to be treated as revenue attributable to the corresponding advertisers.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who owns more than 5% of our issued share capital or of our subsidiary, had any interest in any of our top five customers during the Year.

Top Suppliers

Our top five suppliers accounted for 79.4% and 89.8% of our total costs of sales for the years ended 31 December 2021 and 2020, respectively. Our largest supplier accounted for 29.8% and 28.1% of our total costs of sales for the years ended 31 December 2021 and 2020, respectively.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who owns more than 5% of our issued share capital or of our subsidiary, had any interest in any of our top five suppliers during the Year.

Cash Flow

The following table is a condensed summary of our consolidated statements of cash flows and analysis of balances of cash and cash equivalents for the periods indicated:

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Net cash flows from operating activities	**10,688**	5,656
Net cash flows used in investing activities	**(20,818)**	(93)
Net cash flows (used in)/from financing activities	**(778)**	112,758
Net (decrease)/increase in cash and cash equivalents	**(10,908)**	118,321
Cash and cash equivalent at the beginning of the period	**281,029**	171,639
Cash and cash equivalent at the end of the period	**269,576**	281,029

During the year ended 31 December 2021, net cash flows from operating activities increased by approximately 89.0%, which was mainly due to increase in profit for the Year and strengthened management and control of accounts receivable. Net cash flows used in investing activities increased by approximately 22,284.9%, primarily attributable to purchase of FVTPL. Net cash flows from financial activities changed from a net inflow of RMB112.8 million to a net outflow of RMB0.8 million, mainly attributable to the one-off capital contribution from our Shareholders upon the Reorganisation for the purpose of the Global Offering during the year ended 31 December 2020.

Significant change in accounting policy

We have adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021* (early adopted)

For further details, please refer to note 2.2 in the section headed "NOTES TO FINANCIAL STATEMENTS" in this announcement.

Indebtedness

As of 31 December 2021, we did not apply or obtain any banking facilities and the amount of unutilised banking facilities amounted to nil and we did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

As at 31 December 2021, our total lease liabilities were RMB343,000 (as at 31 December 2020: RMB639,000).

Certain Financial Ratio

The following table sets forth certain financial ratio as of the balance sheet dates indicated:

	As of 31 December 2021	As of 31 December 2020
Return on equity[(1)]	**6.7%**	9.4%[(7)]
Return on total assets[(2)]	**2.9%**	3.9%[(7)]
Current ratio[(3)]	**1.7**	1.7
Gearing ratio[(4)]	**—**	—
Gross profit margin[(5)]	**18.7%**	20.3%
Adjusted net profit margin[(6)]	**3.4%**	7.4%[(7)]

Notes:

(1) Return on equity ratio is profit for the year as a percentage of total equity as of year-end and multiplied by 100%.

(2) Return on total assets ratio is profit for the year as a percentage of total assets as of year-end and multiplied by 100%.

(3) Current ratio is total current assets as of year-end as a percentage of total current liabilities as of year-end.

(4) Gearing ratio is total interest-bearing bank borrowings as of year-end as a percentage of total assets as of year-end. As of 31 December 2021 and 31 December 2020, we did not have any interest-bearing bank borrowings.

(5) Gross profit margin is gross profit for the year as a percentage of revenue.

(6) Adjusted net profit margin is profit for the year as a percentage of revenue.

(7) Based on adjusted profit for the year which is a non-HKFRS measure and is calculated by excluding the effect of one-off Listing expenses.

Financial Risks

We are exposed to various types of financial and market risks, including foreign currency risk, credit risk and liquidity risk. The Board reviewed and agreed on financial management policies and practices for managing each of these risks.

Foreign currency risk

We mainly operate in Mainland China with most of our monetary assets, liabilities and transactions principally denominated in RMB and USD. We are exposed to foreign currency risk arising from fluctuations in exchange rates between RMB, USD and other currencies in which we conduct our business. We are subject to foreign currency risk attributable to our trade payables and bank balances denominated in currencies other than RMB and USD. We did not use any derivative financial instruments to hedge our foreign currency risk during the Year.

Credit risk

Credit risk arises mainly from the risk that counterparties may default on the terms of their agreements. The carrying amounts of our other financial assets, which comprises cash and cash balances, deposits, amounts due from related parties and other receivables represent our maximum exposure to credit risk in relation to these instruments.

We have established policies to evaluate credit risk when accepting new business and to limit our credit exposure to individual customers. We only trade with recognised and creditworthy third parties and retail customers. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, we monitor receivable balances on an on-going basis and our exposure to bad debts is insignificant. Our Directors consider that we did not have a significant concentration of credit risk as of 31 December 2021. As we only trade with recognised and creditworthy third parties and retail customers, we do not require collateral from our customers.

Liquidity risk

We aim to maintain sufficient cash and credit lines to meet our liquidity requirements. We monitor risks of funding shortage using a recurring liquidity planning tool, which takes into consideration the maturity of our financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2021

	Notes	2021 RMB'000	2020 RMB'000
REVENUE	4	**351,831**	210,322
Cost of sales		**(285,973)**	(167,659)
Gross profit		**65,858**	42,663
Other income and gains	4	**1,140**	3,205
Selling and distribution expenses		**(9,325)**	(2,824)
Administrative expenses		**(41,401)**	(40,620)
Other expenses		**(613)**	(111)
Finance costs		**(30)**	(24)
PROFIT BEFORE TAX	5	**15,629**	2,289
Income tax (expense)/credit	6	**(3,736)**	599
PROFIT FOR THE YEAR		**11,893**	2,888
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent		**11,833**	2,888
Non-controlling interests		**60**	—
		11,893	2,888
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted *(RMB)*		**0.02**	0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

	2021	2020
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**11,893**	2,888
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(505)**	(8,724)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(505)**	(8,724)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(505)**	(8,724)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**11,388**	(5,836)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the parent	**11,328**	(5,836)
Non-controlling interests	**60**	—
	11,388	(5,836)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2021

	Notes	**2021** **RMB'000**	2020 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**330**	155
Right-of-use assets		**332**	611
Deferred tax assets	9	**2,630**	352
Financial assets at fair value through profit or loss	10	**4,000**	—
Total non-current assets		**7,292**	1,118
CURRENT ASSETS			
Trade receivables	11	**107,114**	108,700
Prepayments, deposits and other receivables	12	**10,419**	5,823
Financial assets at fair value through profit or loss	10	**16,575**	—
Cash and cash equivalents	13	**269,576**	281,029
Total current assets		**403,684**	395,552
CURRENT LIABILITIES			
Trade payables	14	**195,720**	195,871
Other payables and accruals	15	**26,220**	28,186
Tax payable		**11,579**	6,485
Lease liabilities		**343**	639
Total current liabilities		**233,862**	231,181
NET CURRENT ASSETS		**169,822**	164,371
TOTAL ASSETS LESS CURRENT LIABILITIES		**177,114**	165,489
Net assets		**177,114**	165,489
EQUITY			
Equity attributable to owners of the parent			
Share capital		**2,157**	2,157
Treasury shares		**(743)**	—
Reserves		**174,660**	163,332
Total equity attributable to owners of the parent		**176,074**	165,489
Non-controlling interests		**1,040**	—
Total equity		**177,114**	165,489

Chang Sufang
Director

Li Hui
Director

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 1 February 2019. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1–1002, Cayman Islands.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 July 2020 (the "**Listing Date**").

The Company is an investment holding company. During the year, the Company's subsidiaries were engaged in the business of providing online advertising services in the People's Republic of China (the "**PRC**" or "**China**") and internationally.

In the opinion of the directors of the Company, the ultimate controlling shareholder of the Group is Ms. Chang Sufang ("**Ms. Chang**"), the Chairman and Chief Executive Officer.

Information about subsidiaries

As at the date of this announcement, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of business	Nominal value of issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Adtiger Company Limited	British Virgin Islands 5 March 2019	US$50,000	100%	—	Investment holding
Adtiger Media Limited	British Virgin Islands 21 February 2019	US$50,000	100%	—	Investment holding
HongKong AdTiger Media Co., Limited ("**HongKong AdTiger**")	Hong Kong ("**HK**") 22 November 2010	HK$10,000	—	100%	Advertising services
Adtiger International Limited	Hong Kong ("**HK**") 27 March 2019	HK$10,000	—	100%	Investment holding
Apotheosis Limited	Hong Kong ("**HK**") 5 November 2018	HK$10,000	—	100%	Investment holding
Beijing AdTiger Media Co., Limited* 北京虎示傳媒有限公司 *(i)*	PRC/Mainland China 11 May 2016	RMB12,500,000	—	100%	Advertising services

Name	Place and date of incorporation/ registration and place of business	Nominal value of issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company Direct	Indirect	Principal activities
CFormula Technology Company Limited ("**CFormula**")	Hong Kong ("**HK**") 9 October 2017	US$1	—	100%	Dormant and no business operations
AdTiger Technology Company Limited* 虎視科技有限公司*(i)*	PRC/Mainland China 29 March 2021	US$30,000,000	—	100%	Advertising services
Hainan AdTiger Information Technology Co., Ltd* 海南虎視信息技術有限公司	PRC/Mainland China 21 May 2021	RMB1,000,000	—	100%	Advertising services
Beijing Fasttouch Culture Technology Co., Ltd* 北京傳速文化科技有限公司	PRC/Mainland China 21 May 2021	RMB2,000,000	—	51%	Advertising services

Notes:

(i) The entities are wholly-foreign owned enterprises established under PRC Law.

* The English names of these companies represent the best effort made by the management of the Company to directly translate the Chinese names as they do not register any official English names.

Due to the implementation of the share award scheme of the Group mentioned, the Company has also set up a structured entity ("**Share Scheme Trust**"). The was set up for administering and holding the Company's shares acquired for share award schemes which are set up for the benefits of eligible persons of the Schemes. As the Company has the power to govern the financial and operating policies of the Share Scheme Trust and can derive benefits from the contributions of the eligible persons who are awarded with the shares by the schemes, the directors of the Company consider that it is appropriate to consolidate the Share Scheme Trust.

During the year ended 31 December 2021, the Company contributed approximately RMB743,000 (2020: Nil) to the Share Scheme Trust for financing its acquisition of the Company's shares.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, except for wealth management products and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

We have adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021* (early adopted)

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("**RFR**"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

    No significant modification gain or loss has arisen as a result of applying the amendments to these changes.

(b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months (the "**2021 Amendment**"). Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

    The Group has early adopted the amendment on 1 January 2021. However, the Group has not received covid-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
HKFRS 17	*Insurance Contracts*[2]
Amendments to HKFRS 17	*Insurance Contracts*[2,5]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[2,4]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to HKAS 8	*Definition of Accounting Estimates*[2]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to HKAS 37	*Onerous Contract — Cost of Fulfilling a Contract*[1]
Annual Improvements to HKFRSs 2018–2020	*Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41*[1]

1 Effective for annual periods beginning on or after 1 January 2022

2 Effective for annual periods beginning on or after 1 January 2023

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the amendments to HKAS 1, Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

5 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs may result in changes in accounting policies but the amendments are not expected to have any significant impact on the Group's financial statements.

3. SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group's revenue and reported results during the year, and the Group's total assets as at the end of the year were derived from one single operating segment, i.e., provision of online advertising services.

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers based on the country/jurisdiction the external customer is registered.

	2021	2020
	RMB'000	*RMB'000*
Singapore	**133,426**	89,938
Mainland China	**120,701**	59,739
Hong Kong	**69,913**	23,460
Others	**27,791**	37,185
	351,831	210,322

The Group's non-current assets are substantially located in Mainland China, and accordingly, no further analysis by geographical segment of non-current assets is presented.

Information about major customers

The revenue generated from sales to customers which individually contributed more than 10% of the Group's total revenue during the year is set out below:

	2021	2020
	RMB'000	*RMB'000*
Customer A	**64,461**	78,761

4. REVENUE, OTHER INCOME AND GAINS

Revenue mainly represents revenue from the provision of online advertising services during the year.

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

	2021	2020
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Specified action revenue (where the Group acts as the principal)	**309,848**	175,241
— comprehensive user acquisition services under CPA pricing model	**309,524**	174,422
— service for opening and/or topping-up advertisers' accounts under CPC/CPM pricing model	**324**	819
Agreed rebates under CPC/CPM pricing model (where the Group acts as the agent)	**41,983**	35,081
	351,831	210,322
Other income and gains		
Others	**1,140**	3,205

(a) Timing of revenue recognition

The Group derives revenue at a point in time for the following category of revenue:

	2021	2020
	RMB'000	*RMB'000*
At a point in time		
Online advertising services	**351,831**	210,322

(b) Performance obligations

The Group has no revenue contract that has an original expected duration more than one year, thus management applied practical expedient under HKFRS 15 and are not disclosing the aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied or partially unsatisfied at the end of each reporting period.

5. PROFIT BEFORE TAX

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

	2021	2020
	RMB'000	*RMB'000*
Cost of services rendered (excluding those included in employee benefit expense)	**280,257**	162,917
Bank interest income	**(271)**	(254)
Depreciation of items of property, plant and equipment	**143**	105
Depreciation of right-of-use assets	**968**	943
Impairment of trade receivables and other receivables	**(366)**	218
Lease expenses arising from short-term leases*	**638**	9
Listing expenses	**—**	12,646
Auditor's remuneration	**2,080**	2,080
Employee benefit expense		
Salaries, allowances and benefits in kind	**29,769**	11,073
Pension scheme contributions	**4,336**	775

* The Group applies the available practical expedients of HKFRS 16 wherein it applies the short-term lease exemptions to leases with a lease term that ends within 12 months from the lease commencement date. Lease expenses arising from short-term leases are related to leases with a lease term that ends within 12 months.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, unless such profits are taxable at the half-rate of 8.25% that may apply for the first HK$2 million of assessable profits for years of assessment beginning on or after 1 April 2018.

Pursuant to the PRC Corporate Income Tax Law ("**CIT Law**"), the CIT rate for domestic enterprises and foreign invested enterprises is 25%. According to the MOF/STA PN 2019 No. 68 — "Announcement on the Enterprise Income Tax Policy for Integrated Circuit Design and Software Enterprises"-jointly released by the Ministry of Finance ("**MOF**") and State Taxation Administration ("**STA**"), Beijing AdTiger was awarded as a qualified software enterprise and entitled to preferential income tax rate of 12.5% for the year ended 31 December 2020.

The major components of income tax expense of the Group are as follows:

	2021	2020
	RMB'000	*RMB'000*
Current income tax — Hong Kong		
Charge for the year	**1,117**	65
Overprovision in prior years	**(184)**	—
Current income tax — Mainland China		
Charge for the year	**5,088**	1,210
Refund of CIT payment made in prior year*	**—**	(1,903)
Deferred income tax	**(2,285)**	29
Total tax charge for the year	**3,736**	(599)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate applicable in Mainland China to the tax expense at the effective tax rate is as follows:

	2021	2020
	RMB'000	*RMB'000*
Profit before tax	**15,629**	2,289
Tax calculated at a tax rate of 25%	**3,907**	572
Refund of CIT payment made in prior year*	**—**	(1,903)
Adjustments in respect of current tax of previous periods	**(184)**	—
Effect of different tax rates available to different subsidiaries of the Group	**(75)**	(565)
Expenses not deductible for tax purposes	**88**	1,297
	3,736	(599)

* Pursuant to MOF/STA PN 2019 No. 68 jointly released by the Ministry of Finance ("**MOF**") and State Taxation Administration ("**STA**") on 17 May 2019, Beijing AdTiger Media Co., Limited made application in May 2020 and was then approved by local tax authorities to be entitled to preferential income tax rate of 12.5% for the year ended 31 December 2019.

7. DIVIDENDS

No dividend has been paid or declared by the Company since its date of incorporation.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 622,472,651 (2020: 531,226,027, as adjusted to reflect the rights issue during the year) in issue during the year.

The calculations of the basic and diluted earnings per share are based on:

	2021 ***RMB'000***	2020 *RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**11,833**	2,888
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	**622,473**	531,226

9. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits *RMB'000*	**Impairment losses on financial assets** *RMB'000*	**Total** *RMB'000*
At 31 December 2019 and 1 January 2020	—	402	402
Deferred tax (charged)/credited to profit or loss during the year	—	(29)	(29)
Exchange realignment	—	(21)	(21)
At 31 December 2020 and 1 January 2021	—	352	352
Deferred tax (charged)/credited to profit or loss during the year	2,367	(63)	2,304
Exchange realignment	—	(7)	(7)
At 31 December 2021	2,367	282	2,649

Deferred tax liabilities

	Fair value adjustments of financial assets at FVTPL
	RMB'000
At 31 December 2019 and 1 January 2020	—
Deferred tax (charged)/credited to profit or loss during the year	—
At 31 December 2020 and 1 January 2021	—
Deferred tax (charged)/credited to profit or loss during the year	19
At 31 December 2021	19

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

	2021	2020
	RMB'000	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	**2,630**	352
Net deferred tax liabilities recognised in the consolidated statements of financial position	**—**	—

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. These tax losses will expire up to and including year 2026.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividend declared to foreign investors from 1 January 2008 and applies to earnings generated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by the subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable tax rate of the Group is 10%.

At 31 December 2021, deferred tax has not been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiary established in Mainland China. In the opinion of the directors, it is not probable that the subsidiary will distribute such retained earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totaled approximately RMB45,747,000 as at 31 December 2021 (2020: RMB37,458,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	RMB'000	*RMB'000*
Non-current		
Unlisted equity investments, at fair value	**4,000**	—
Current		
Other unlisted investments, at fair value	**16,575**	—
	20,575	—

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

The above unlisted investments were wealth management products issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

11. TRADE RECEIVABLES

	2021	2020
	RMB'000	*RMB'000*
Trade receivables	**108,698**	110,691
Impairment	**(1,584)**	(1,991)
	107,114	108,700

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2021, included in the Group's trade receivables are amounts due from the Group's related parties of RMB38,000 (2020: RMB364,000), respectively, which are repayable on credit terms from one to twelve months.

An ageing analysis of the trade receivables as at the end of the year, based on the invoice date and net of allowance, is as follows:

	2021	2020
	RMB'000	*RMB'000*
Within 1 month	**91,581**	106,706
1–3 months	**15,064**	1,770
3–12 months	**469**	224
	107,114	108,700

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

	2021	2020
	RMB'000	*RMB'000*
At beginning of year	**1,991**	1,897
Impairment losses, net	**(366)**	94
Exchange realignment	**(41)**	—
At end of year	**1,584**	1,991

Impairment under HKFRS 9 for the year

An impairment analysis was made based on the expected credit loss model on the recoverability of trade receivables. The identification of impairment requires management's judgements and estimates by considering the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from the macro economy.

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

As at 31 December 2021

	Trade receivables ageing				
	Within 1 month	**1–3 months**	**3–12 months**	**Over 12 months**	**Total**
Expected credit loss rate	**0.13%**	**0.15%**	**12.17%**	**100.00%**	**1.46%**
Gross carrying amount *(RMB'000)*	**91,699**	**15,087**	**534**	**1,378**	**108,698**
Expected credit losses *(RMB'000)*	**118**	**23**	**65**	**1,378**	**1,584**

As at 31 December 2020

	Trade receivables ageing				
	Within 1 month	1–3 months	3–12 months	Over 12 months	Total
Expected credit loss rate	0.54%	0.56%	3.86%	100.00%	1.80%
Gross carrying amount *(RMB'000)*	107,287	1,780	233	1,391	110,691
Expected credit losses *(RMB'000)*	581	10	9	1,391	1,991

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021	2020
	RMB'000	*RMB'000*
Prepayments	**6,442**	3,062
Deposits and other receivables (a)	**3,977**	2,761
	10,419	5,823

Note:

(a) Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment.

13. CASH AND CASH EQUIVALENTS

	2021	2020
	RMB'000	*RMB'000*
Cash and bank balances	**269,576**	281,029

As at 31 December 2021, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to RMB78,012,000 (2020: RMB89,077,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

14. TRADE PAYABLES

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

	2021	2020
	RMB'000	*RMB'000*
Within 1 year	**195,720**	195,871

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

15. OTHER PAYABLES AND ACCRUALS

	2021	2020
	RMB'000	*RMB'000*
Other payables	**23,707**	27,086
Payroll and welfare payables	**2,329**	895
Other tax payable	**184**	205
	26,220	28,186

Other payables are non-interest-bearing and repayable on demand.

16. EVENTS AFTER THE REPORTING PERIOD

The lingering COVID-19 pandemic and strained Sino-US relations have brought additional uncertainties to the Group's operating environment and might impact the Group's operations and financial position. The Group will closely monitor the development of the COVID-19 and strained Sino-US relations, assess and actively respond to their impact on the financial condition, operating results and other aspects of the Group.

FUTURE AND OUTLOOK

Since the second half of 2020, in addition to COVID-19, the Group's business operations have been impacted by macro socio-economic factors beyond our control, including but not limited to the deteriorating Sino-U.S. relations and the geopolitical conflicts between China and India, which have, among other things, resulted in the tightened control exerted by the local governments in the United States and India, respectively, over mobile applications associated with Chinese companies in the two aforementioned markets.

Driven by the demands from advertisers and media publishers and the growing competition in the online advertising industry, our R&D team is focused on improving our ad formats and ad creatives as well as supporting the development and maintenance of AdTensor. In order to strengthen the competitive advantage in video AI algorithm capabilities, and considering that AI technology is one of the core technologies supporting Metaverse (the next generation of the Internet), we plan to break through in the cutting-edge areas of AI on video, etc.

We attach great importance to the Metaverse trend and the new opportunities it brings to the Internet industry and have identified the Metaverse as one of our strategic development directions. We will also continue to actively deploy in the field of social and interactive entertainment products. In order to better serve our advertiser customers, we will provide our advertiser customers with comprehensive global marketing services, including but not limited to performance advertising, influencer marketing and brand public relations services. In addition to the organic growth of our business, we also plan to pursue strategic investment and merger and acquisition opportunities that will help strengthen our offerings and enhance our business reputation. In addition to continuing to develop our precision marketing capabilities and providing our advertisers with one-stop precision mobile advertising services, we also plan to increase our R&D efforts in the development of advertising and marketing related Software-as-a-Service ("**SaaS**") products based on our AI and big data platform and provide our advertisers with SaaS services and online marketing solutions to comprehensively improve advertisers' ability to acquire customers, and thereby improving the Group's smart advertising service ecosystem.

Taking into account the uncertainty surrounding COVID-19 and other factors beyond our control which could potentially affect our business operations, we will continue to pay close attention to the industry trends and the trends in relation to the allocation in our customers' advertising spending in order to make a corresponding shift in our sales activities. We have maintained and will seek to further expand a diversified advertiser base and stable working relationships with our existing advertisers and media publishers with a view to preparing ourselves for any potential, rapid shift in the advertising needs among advertisers.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the Year, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell such securities.

Compliance with CG Code

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value as well as the responsibility commitments. The Company has adopted the CG Code as its own code of corporate governance.

In the opinion of the Directors, the Company has complied with all applicable code provisions of the CG Code during the Year except disclosed as follows:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Chang Sufang currently holds both positions. Since the inception of the Group, Ms. Chang has been the Group's key leadership figure who has been primarily involved in the overall strategic planning, management and operations of the Group. Taking into account the continuous implementation of the business plans, the Board believes that vesting the roles of both chairman and the chief executive officer in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the code provisions of the CG Code and maintaining a high standard of corporate governance of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the Year.

No incident of non-compliance of the Model Code by the employees was noted by the Company throughout the Year.

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three members, two of whom are INEDs, namely Mr. Chan Foon and Mr. Zhang Yaoliang, and one of whom is a non-executive Director, being Mr. Hsia Timothy Chunhon. Mr. Chan Foon is the chairman of Audit Committee.

The Audit Committee has reviewed the audited consolidated annual financial statements of the Group for the Year, including the applicable accounting policies and accounting standards adopted by the Group, and considers that such statements have been prepared in compliance with the applicable Listing Rules.

Scope of Work of The Auditor

The financial information set out in this announcement does not constitute the Group's audited accounts for the Year, but represents an extract from the consolidated financial statements for the Year which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The financial information has been reviewed by the Audit Committee and approved by the Board.

Use of Proceeds

The Shares were listed on the Main Board of the Stock Exchange on 10 July 2020 by way of Global Offering, raising total net proceeds of HK$83.5 million after deducting professional fees, underwriting commissions and other related listing expenses. The Over-allotment Option was fully exercised on 2 August 2020 and raised total gross proceeds of approximately HK$17.4 million. The total net proceeds received by the Company were HK$100.9 million (the "**IPO proceeds**"). On 24 December 2021, the Board, having considered the recent business environment and development of the Group under the impact of the COVID-19 pandemic, resolved to reallocate the remaining unutilised IPO proceeds of approximately HK$55.7 million (the "**Unutilised IPO proceeds**") among the intended uses (the "**Revised Allocation**"). For further details, please refer to the announcement of the Company dated 24 December 2021.

As at 31 December 2021, IPO proceeds of HK$45.2 million has been utilised and Unutilised IPO proceeds have not been used since the Revised Allocation.

As at 31 December 2021, details of intended application of Unutilised IPO proceeds are set out as follow:

	Approximate % of total IPO proceeds	Planned use of actual IPO proceeds	Actual IPO proceeds utilised up to Revised Allocation	Unutilised IPO proceeds up to the Revised Allocation	Revised Allocation of the Unutilised IPO proceeds*	Expected timeline for utilising Unutilised IPO proceeds
	%	*HK$' million*	*HK$' million*	*HK$' million*	*HK$' million*	*HK$' million*
AI technologies and technology capabilities; offering of our AdTensor platform	35%	35.3	22.7	12.6	12.6	2022: 5.3 2023: 7.3
Local service capabilities and global footprint	20%	20.2	10.4	9.8	9.8	2022: 9.8
IT infrastructure, management system, ERP system, ORACLE system and performance monitoring system	20%	20.2	3.1	17.1	4.0	2022: 4.0
Sales and marketing and local presence in selected regions in China	15%	15.1	7.8	7.3	12.2	2022: 12.2
Strategic investments and mergers and acquisitions	10%	10.1	1.2	8.9	8.9	2022: 4.6 2023: 4.3
General working capital		—	—	—	8.2	2022: 8.2
Total		100.9	45.2	55.7	55.7	

* Unutilised IPO proceeds have not been used since the Revised Allocation and up to 31 December 2021.

The temporary delay in utilising the IPO proceeds for AI technology and technical capabilities; offering of our AdTensor platform was primarily because the Group adjusted its R&D focus to technological breakthroughs in cutting-edge fields such as AI video. In order to re-upgrade the R&D of the AdTensor platform in AI video technology and its service capabilities, we temporarily postponed our plans for utilising the IPO proceeds for AdTensor platform.

Taking into account that the existing management system has met the basic operational and management needs, and to utilise the IPO proceeds more efficiently, the Board reallocated the IPO proceeds initially intended for IT infrastructure, management system, ERP system, ORACLE system and performance monitoring system to general working capital and sales and marketing.

The temporary delay in utilising the IPO proceeds for strategic investments and mergers and acquisitions was primarily due to the uncertainty of the impact of COVID-19 and epidemic prevention measures.

Subsequent Events

The lingering COVID-19 pandemic and strained Sino-US relations have brought additional uncertainties to the Group's operating environment and might impact the Group's operations and financial position. The Group will closely monitor the development of the COVID-19 and strained Sino-US relations, assess and actively respond to their impact on the financial condition, operating results and other aspects of the Group. In the event that there is any significant financial impacts, the Company will release further announcement as and when appropriate.

Save as disclosed above, as of the date of this announcement, there was no other significant event subsequent to 31 December 2021.

Final Dividend

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

Annual General Meeting

The AGM is scheduled to be held on Friday, 10 June 2022. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

Closure of the Register of Members

The register of members of the Company will be closed from Tuesday, 7 June 2022 to Friday, 10 June 2022, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Friday, 10 June 2022. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F 148 Electric Road, North Point, Hong Kong before 4:30 p.m. on Monday, 6 June 2022.

Publication of the 2021 Annual Results and Annual Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.adtiger.hk). The annual report for the Year containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in April 2022.

Appreciation

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITION

In this announcement, unless the context otherwise require, the following expressions shall have the following meaning:

"Audit Committee"	the audit committee of the Board
"AdTensor"	our proprietary ad optimisation and management platform
"AGM"	annual general meeting of our Company
"AI"	artificial intelligence
"Beijing AdTiger"	Beijing AdTiger Media Co., Limited (北京虎示傳媒有限公司), a company incorporated in the PRC with limited liability on 11 May 2016, an operating and indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors
"CAGR"	compound annual growth rate
"Company"	ADTIGER CORPORATIONS LIMITED, a company incorporated in the Cayman Islands as an exempted company with limited liability, the Share of which are listed and traded on the Main Board of the Stock Exchange
"CG Code"	the Corporate Governance Code set out in Appendix 14 to the Listing Rules

"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"COVID-19"	2019 novel coronavirus disease
"CPA"	cost per action, a performance-based pricing model where advertising is paid on the basis of each action of the mobile device user such as download, installation or registration. CPI is typically referred to as CPA
"CPC"	cost per click, a non-performance-based pricing model where advertisers are charged on the basis of each click of the ad
"CPI"	cost per install, a performance-based pricing model where advertisers are charged on the basis of each installation of the app
"CPM"	cost per mille, a non-performance-based pricing model where advertisers are charged on the basis of thousand impressions
"Director(s)"	the director (s) of the Company
"Eligible Persons"	An employee (whether full time or part-time) or a director of a member of the Group or associated companies of the Company as determined by the Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Post-IPO Share Option Scheme) at its absolute discretion to be offered to grant an option to subscribe for such number of Shares
"ERP"	enterprise resource planning, business process management software that allows an organisation to use a system of integrated applications to manage the business and automate many back office functions related to technology, services and human resources
"FVTPL"	financial assets at fair value through profit or loss

"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group", "we", "us" or "our"	the Company and its subsidiaries
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	Hong Kong Financial Reporting Standards
"INED(s)"	the independent non-executive Director(s)
"impression(s)"	the number of ad views, represents the total number of times our ad is viewed by a user or displayed on a web page during a certain period of time
"IT"	the information and technology
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	10 July 2020, the date on which the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Over-allotment Option"	has the meaning ascribed to it under the Prospectus
"Post-IPO Share Option Scheme"	the share option scheme conditionally adopted by the Company, further details of which are described in the subsection headed "Statutory and General Information — D. Post-IPO Share Option Scheme" in Appendix IV to the Prospectus
"Prospectus"	the prospectus of the Company dated 29 June 2020

"R&D"	the research and development
"Reorganisation"	the reorganisation of the Group in preparation of the Listing, details of which are set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company, currently of nominal value US$0.0005 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US" or "United States"	the United States of America
"US$" or "USD"	United States dollars, the lawful currency of the United States
"Year"	the year ended 31 December 2021

By order of the Board
ADTIGER CORPORATIONS LIMITED
CHANG Sufang
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 15 March 2022

As of the date of this announcement, the executive Directors are Ms. CHANG Sufang and Ms. LI Hui; the non-executive Director is Mr. HSIA Timothy Chunhon; and the independent non-executive Directors are Mr. YAO Yaping, Mr. CHAN Foon, and Mr. ZHANG Yaoliang.