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# AdTiger

## ADTIGER CORPORATIONS LIMITED

### 虎視傳媒有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1163)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Board announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022, together with comparative figures for the six months ended 30 June 2021. In this announcement, “we”, “us” and “our” refer to the Company and where the context otherwise requires, the Group.

### FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2022	2021	Period-to-
	(Unaudited)	(Unaudited)	Period Change
	RMB'000	RMB'000	%
Revenue	190,463	143,456	32.8
Gross profit	32,887	34,250	(4.0)
Profit for the period	6,329	13,763	(54.0)

### INTERIM DIVIDEND

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

## 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, TikTok, Taboola, Kwai, BIGO Ads, Twitter, Bing, Pinterest 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 as 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. We have been recognised as Meta Business Partner in China for six consecutive years since 2017; shortlisted as Overseas Partnership Agent 2022 by TikTok for Business, and Overseas Advertising Partner 2022 by Kuaishou. In 2022, we won the 13th Golden Mouse Digital Marketing Awards (金鼠標數字營銷大賽) — Digital Marketing Influencer Agency of the Year, and the 8th Phoenix Adx Festival (第8屆金梧獎) — Integrated Marketing — Classic Case Award.

Our services are powered 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 625 as at 30 June 2022 (as at 31 December 2021: 596).

We have strategically focused on covering top media publishers, including Facebook, Google, Snapchat, TikTok, Taboola, Kwai, BIGO Ads, Twitter, Bing, Pinterest and Yahoo etc. We help match our media publishers' available ad inventories to appropriate ad campaigns that maximise their monetisation potential. Our number of media publishers from whom we purchase ad inventories reached 39 as at 30 June 2022 (as at 31 December 2021: 32). We plan to expand our media publisher base to include a combination of top, medium tail and long tail media publishers in the future, especially those medium tail and long tail media publishers that have global presence and have large operations in certain countries or regions.

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 our competitive advantage in video AI algorithm capabilities, and considering that AI technology is one of the core technologies supporting the next generation of the internet — Metaverse, we plan to break through in the cutting-edge areas of AI on video, etc.

During the Reporting Period, we have increased our R&D investment in AdTensor; and use AI to develop strategies, manage advertisements, generate advertising materials and report results.

In terms of advertising materials, the production technologies have advanced significantly. We have been adopting AI audio, 3D virtual character and human-like AI character technologies in producing video advertising materials. For AI dubbing, it currently supports more than 70 languages around the world, and has more than 200 voice characters, such as elderly and pirate voice characters, which are highly indistinguishable from human voices, and sound even more expressive in presenting the benefits and functions of the products. For 3D virtual characters, it can be featured in advertisements placed in different countries with different target audiences. We can also customise 3D virtual characters upon request, and generate an animated video in just five minutes, which significantly reduces the difficulty in producing audio advertising material, and enhance the liveliness and authenticity of the advertisement. For human-like AI characters, we have sculpted more than 100 characters via training based on the models built from real-life people. They can be used to promote various types of products, as well as being featured as customised AI advertising characters in the photos or videos provided by the customers to promote the benefits of their products. The advertising materials featuring human-like AI characters are as lively and as agreeable as those featuring human actors, while with a lower production cost.

In order to meet the customers' requests for localized video featuring humans, we have set up a global network of actors and filming resources. The global actor pool has over ten thousand actors from Europe, U.S., Australia, Middle East, Japan, South Korea and Southeast Asia, etc. There are studios in both China and overseas to accommodate different cultural settings. We also have a professional TVC shooting team, with cinematic shooting and production equipment and are able to shoot in both China and overseas. Also, we have built a global network of key opinion leaders for precise engagement with local target audiences.

The combination of technical advertising materials and shooting that features real-person casts could significantly improve the production efficiency, reduce production costs, improve the return on investment of customers, which in turn lead to a more efficient production process, both in terms of the advertising materials and advertisement projects as whole.

For the Reporting Period, our advertisers' advertising spending amounted to RMB783.8 million (six months ended 30 June 2021: RMB678.9 million, representing an approximately 15.5% increase).

Metaverse is one of the Group's strategic development directions and the Group is actively performing a diversified strategic layout. As social network and online gaming will become integral parts of Web3.0, during the Reporting Period, the Group has built a professional team by actively recruiting R&D experts in social network and online gaming. In the Metaverse market, we have developed a social media platform for video sharing, which has entered the stage of internal testing, and obtained remarkable statistic result. In the gaming field, we have built a game development team and continuously devoted resources in building online games.

Notwithstanding the outbreak of COVID-19, in the first half of 2022, 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 market 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 light of the global economic downturn and the declining demand of advertisement, 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) provided our advertisers with more attractive offers to encourage advertisement orders and boost market share (while there was an increase in revenue, it also led to a drop in profit margin, however, we are of the view that boosting our market share is beneficial in the long run especially during the economic downturn); and (iii) upgraded our online advertising platform in order to achieve higher return on investment for our advertisers given the increased price of ad inventories of our major media publishers.

## FINANCIAL REVIEW

### Six Months Ended 30 June 2022 Compared to Six Months Ended 30 June 2021

#### *Revenue*

During the Reporting Period, we generated all of 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 six months ended 30 June			
	2022		2021	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	(Unaudited)		(Unaudited)	
<b>Revenue</b>				
<b>CPA pricing model</b>				
— specified action revenue	<b>164,929</b>	<b>86.6</b>	113,917	79.4
<b>CPC/CPM pricing model</b>				
— specified action revenue	<b>484</b>	<b>0.2</b>	514	0.4
— agreed rebates	<b>25,050</b>	<b>13.2</b>	29,025	20.2
— Sub-total	<b>25,534</b>	<b>13.4</b>	29,539	20.6
<b>Total</b>	<b>190,463</b>	<b>100.0</b>	143,456	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 six months ended 30 June			
	2022		2021	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	(Unaudited)		(Unaudited)	
Utility and content app developers	<b>81,361</b>	<b>42.7</b>	76,515	53.3
E-commerce	<b>54,052</b>	<b>28.4</b>	49,432	34.5
Education	<b>30,672</b>	<b>16.1</b>	10,736	7.5
Tourism	<b>1,449</b>	<b>0.8</b>	1,722	1.2
Finance	<b>17,178</b>	<b>9.0</b>	1,258	0.9
Others <sup>Note</sup>	<b>5,751</b>	<b>3.0</b>	3,793	2.6
<b>Total</b>	<b><u>190,463</u></b>	<b><u>100.0</u></b>	<b><u>143,456</u></b>	<b><u>100.0</u></b>

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

Our total revenue increased by RMB47.0 million, or 32.8%, from RMB143.5 million for the six months ended 30 June 2021 to RMB190.5 million for the Reporting Period, which is mainly attributable to the growing number of advertisers. We provided our advertisers with more attractive offers to encourage advertisement orders and boost market share to minimise the impact of global economic downturn and the declining demand of advertisement.

### ***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; and (iii) salaries and benefits for internal optimisers and designers.

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:

	<b>For the six months ended 30 June</b>			
	<b>2022</b>		<b>2021</b>	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
Cost of Sales				
Traffic acquisition costs <i>Note</i>				
Google	<b>54,491</b>	<b>34.6</b>	21,092	19.3
Facebook	<b>42,162</b>	<b>26.8</b>	69,129	63.3
TikTok	<b>36,080</b>	<b>22.9</b>	6,240	5.7
Snapchat	<b>1,584</b>	<b>1.0</b>	3,042	2.8
Others	<b>17,652</b>	<b>11.2</b>	1,478	1.3
<b>Sub total</b>	<b>151,969</b>	<b>96.5</b>	100,981	92.5
Salaries and benefits of the external optimisers and designers	<b>2,752</b>	<b>1.7</b>	6,068	5.6
Salaries and benefits for internal optimisers and designers	<b>2,855</b>	<b>1.8</b>	2,157	2.0
<b>Total</b>	<b>157,576</b>	<b>100.0</b>	109,206	100.0

*Note:* Traffic acquisition costs only incurred by and related to the CPA pricing model.

Our total cost of sales increased by RMB48.4 million, or 44.3%, from RMB109.2 million for the six months ended 30 June 2021 to RMB157.6 million for the Reporting Period, which primarily reflected (i) an increase of 50.5% in traffic acquisition costs of RMB51.0 million resulting from the increased purchase of ad inventory to accommodate the increased ad offers; and (ii) an increase of 32.4% in the salaries and benefits of the internal optimisers and designers as a result of the increase in the number of our optimisers and designers hired for the purpose of enhancing our service capabilities, which is generally in line with the growth of our business.



### ***Total Gross Profit and Total Gross Profit Margin***

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

The following table sets forth a breakdown of our total gross profit and total gross profit margin for the periods indicated:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000/%</b>	<b>RMB'000/%</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Total revenue</b>	<b><u>190,463</u></b>	<b><u>143,456</u></b>
<b>Total cost of sales</b>	<b><u>157,576</u></b>	<b><u>(109,206)</u></b>
<b>Total gross profit</b>	<b><u>32,887</u></b>	<b><u>34,250</u></b>
<b>Total gross profit margin</b>	<b><u>17.3%</u></b>	<b><u>23.9%</u></b>

Our total gross profit decreased by RMB1.4 million, or 4.1%, from RMB34.3 million for the six months ended 30 June 2021 to RMB32.9 million for the Reporting Period, primarily because we provided our advertisers with more attractive offers to encourage advertisement orders and boost market share to minimise the impact of global economic downturn and the declining demand of advertisement.

### ***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 increased by RMB0.5 million, or 83.3%, from RMB0.6 million for the six months ended 30 June 2021 to RMB1.1 million for the Reporting Period, primarily due to the income from wealth management products that were purchased by the Company for the purposes of improving efficient utilisation of funds.

### ***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 RMB1.0 million, or 40.0%, from RMB2.5 million for the six months ended 30 June 2021 to RMB3.5 million for the Reporting Period, primarily as a result of the increase in marketing headcounts, as the Company has been aiming to expand market share, which gave rise to the additional human resource headcount and marketing expense.

### ***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 consist 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 RMB4.5 million, or 30.0%, from RMB15.0 million for the six months ended 30 June 2021 to RMB19.5 million for the Reporting Period, primarily because of (i) the constant recruitment of R&D experts in social network and online gaming during the Reporting Period; and (ii) the continuous investment in R&D, which together led to an increase in office lease expense, staff cost and R&D expense during the Reporting Period.

### ***Other Expenses***

Our other expenses primarily consist of foreign exchange loss. Our other expenses increased by RMB1.4 million, from RMB1.4 million for the six months ended 30 June 2021 to RMB2.8 million for the Reporting Period, primarily due to the depreciation of Euros held by the Company, which resulted in the increase in foreign exchange loss.

### *Finance Costs*

Our finance costs consist of interest expenses associated with our lease liabilities under HKFRS 16. Our finance costs decreased by RMB5,000, or 31.3%, from RMB16,000 for the six months ended 30 June 2021 to RMB11,000 for the Reporting Period, primarily due to an decrease in the 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 decreased by RMB0.3 million, or 13.6%, from RMB2.2 million for the six months ended 30 June 2021 to RMB1.9 million for the Reporting Period, primarily due to the decrease in taxable profit.

### *Profit for the Period*

Our profit for the period decreased by RMB7.5 million, or 54.3%, from RMB13.8 million for the six months ended 30 June 2021 to RMB6.3 million for the Reporting Period primarily due to the factors mentioned above.

### **Employees and Remuneration Policies**

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

	<b>As at 30 June 2022</b>	
	<b>Number of Employees</b>	<b>% of Total</b>
Optimisers and Designers	<b>65</b>	<b>41.7</b>
Sales and Marketing	<b>18</b>	<b>11.5</b>
Operations	<b>30</b>	<b>19.2</b>
Finance and Administration	<b>19</b>	<b>12.2</b>
IT and R&D	<b>24</b>	<b>15.4</b>
<b>Total</b>	<b><u>156</u></b>	<b><u>100.0</u></b>

The remuneration of our employees is determined based on their performance, experience, competence and market comparables. 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 RMB17.2 million for the Reporting Period (for the six months ended 30 June 2021: RMB14.3 million). As required by PRC laws and regulations, we have made contributions to the various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, maternity leave insurance and occupational injury. In addition, we also provide our employees with housing fund as well as offer them annual body check benefits.

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 the Post-IPO Share Option Scheme. 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 Reporting Period, 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 as incentives or rewards to eligible persons for their contributions to the Group. The purpose of the Share Award Scheme are (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. During the Reporting Period, no share awards had been granted or agreed to be granted by the Company under the Share Award Scheme.

### ***Contingent Liabilities***

The Group did not have any material contingent liabilities as at 30 June 2022 (as at 31 December 2021: nil).

### ***Liquidity, Financial and Capital Resources***

During the Reporting Period, 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 at 30 June 2022, cash and cash equivalents decreased by RMB4.9 million from RMB269.6 million as at 31 December 2021 to RMB264.7 million. The decrease primarily resulted from the purchase of financial assets at FVTPL.

As at 30 June 2022, 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***

Saved as disclosed in the section headed "Use of Proceeds" below, there was no significant investment held by the Company nor any material acquisition or disposal of any subsidiary, associate or joint venture during the Reporting Period.

### ***Capital Commitments***

As at 30 June 2022, the Group had contracted but not provided for capital contributions payable to FVTPL at an amount of RMB12 million. (as at 31 December 2021: RMB16 million).

### ***Charge on the Group's Assets***

As at 30 June 2022, none of the Group's assets were charged with any parties or financial institutions (as at 31 December 2021: nil).

### ***Top Customers***

Our top five customers accounted for 55.6% and 59.2% of our revenue for the six months ended 30 June 2022 and 2021, 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 16.9% and 26.5% of our revenue for the six months ended 30 June 2022 and 2021, 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 Reporting Period.

### ***Top Suppliers***

Our top five suppliers accounted for 71.9% and 88.3% of our total costs of sales for the six months ended 30 June 2022 and 2021 respectively. Our largest supplier accounted for 22.4% and 40.3% of our total costs of sales for the six months ended 30 June 2022 and 2021, 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 Reporting Period.

## ***Cash Flow***

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

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net cash flows from operating activities	<b>15,537</b>	8,493
Net cash flows used in investing activities	<b>(23,089)</b>	(157)
Net cash flows used in financing activities	<b>(3,011)</b>	(756)
Net (decrease)/increase in cash and cash equivalents	<b>(10,563)</b>	7,580
Cash and cash equivalents at the beginning of the period	<b>269,576</b>	281,029
Cash and cash equivalents at the end of the period	<b>264,658</b>	288,977

## **Indebtedness**

As at 30 June 2022, 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, financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

As at 30 June 2022, our total lease liabilities were RMB1.3 million (as at 31 December 2021: RMB343,000).

## **Certain Financial Ratios**

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

	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
Return on equity <sup>(1)</sup>	<b>6.8%</b> <sup>(6)</sup>	6.7%
Return on total assets <sup>(2)</sup>	<b>2.8%</b> <sup>(6)</sup>	2.9%
Current ratio <sup>(3)</sup>	<b>1.7</b>	1.7
Gearing ratio <sup>(4)</sup>	<b>—</b>	—

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2022</b>	<b>2021</b>
Gross profit margin <sup>(5)</sup>	<b>17.3%</b>	23.9%

*Notes:*

- (1) Return on equity ratio is profit for the period/year as a percentage of total equity as at period-end/year-end and multiplied by 100%.
- (2) Return on total assets ratio is profit for the period/year as a percentage of total assets as at period-end/year-end and multiplied by 100%.
- (3) Current ratio is total current assets as at period-end/year-end as a percentage of total current liabilities as at period-end/year-end.
- (4) Gearing ratio is total interest-bearing bank borrowings as at period-end/year-end as a percentage of total assets as at period-end/year-end. As at 30 June 2022 and 31 December 2021, we did not have any interest-bearing bank borrowings.
- (5) Gross profit margin is gross profit for the period as a percentage of revenue.
- (6) Calculated on an annualised basis by multiplying the profit for the six months ended 30 June 2022 by two.

## **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 U.S. dollars. We are exposed to foreign currency risk arising from fluctuations in exchange rates between RMB, U.S. dollars 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 U.S. dollars. We did not use any derivative financial instruments to hedge our foreign currency risk during the Reporting Period.



## **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 at 30 June 2022. 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.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	<i>Notes</i>	<b>2022</b> <b>(Unaudited)</b> <b>RMB'000</b>	2021 (Unaudited) RMB'000
<b>REVENUE</b>	4	<b>190,463</b>	143,456
Cost of sales		<u>(157,576)</u>	<u>(109,206)</u>
<b>GROSS PROFIT</b>		<b>32,887</b>	34,250
Other income and gains	4	<b>1,101</b>	595
Selling and distribution expenses		<b>(3,502)</b>	(2,512)
Administrative expenses		<b>(19,464)</b>	(15,040)
Other expenses		<b>(2,789)</b>	(1,363)
Finance costs		<u>(11)</u>	<u>(16)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>8,222</b>	15,914
Income tax expense	6	<u>(1,893)</u>	<u>(2,151)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>6,329</b></u>	<u>13,763</u>
<b>ATTRIBUTABLE TO:</b>			
Owners of the parent		<b>6,269</b>	13,763
Non-controlling interests		<u><b>60</b></u>	<u>—</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Basic and diluted ( <i>RMB</i> )	8	<u><b>0.01</b></u>	<u>0.02</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 JUNE 2022*

	<b>2022</b> <b>(Unaudited)</b> <i>RMB'000</i>	2021 (Unaudited) <i>RMB'000</i>
<b>PROFIT FOR THE PERIOD</b>	<b><u>6,329</u></b>	<b><u>13,763</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>5,538</u>	<u>382</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>11,867</u></b>	<b><u>14,145</u></b>
Attributable to:		
Owners of the parent	<b>11,807</b>	14,145
Non-controlling interests	<b><u>60</u></b>	<u>—</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	<i>Notes</i>	<b>30 June 2022 (Unaudited) RMB'000</b>	31 December 2021 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		340	330
Right-of-use assets		1,263	332
Deferred tax assets		2,739	2,630
Financial assets at fair value through profit or loss		8,000	4,000
Total non-current assets		<u>12,342</u>	<u>7,292</u>
<b>CURRENT ASSETS</b>			
Trade receivables	9	126,072	107,114
Prepayments, other receivables and other assets		10,471	10,419
Financial assets at fair value through profit or loss		35,751	16,575
Cash and cash equivalents		264,658	269,576
Total current assets		<u>436,952</u>	<u>403,684</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	203,663	195,720
Other payables and accruals		48,706	26,220
Tax payable		9,298	11,579
Lease liabilities		1,264	343
Total current liabilities		<u>262,931</u>	<u>233,862</u>
<b>NET CURRENT ASSETS</b>		<u>174,021</u>	<u>169,822</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>186,363</u>	<u>177,114</u>
<b>Net assets</b>		<u><u>186,363</u></u>	<u><u>177,114</u></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		2,157	2,157
Treasury shares		(3,361)	(743)
Reserves		186,467	174,660
		<u>185,263</u>	<u>176,074</u>
<b>Non-controlling interests</b>		<u>1,100</u>	<u>1,040</u>
<b>Total equity</b>		<u><u>186,363</u></u>	<u><u>177,114</u></u>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 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 Company is an investment holding company. During the period, 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.

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

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

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that

contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

*HKFRS 9 Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

*HKFRS 16 Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

### 3. SEGMENT INFORMATION

#### Operating segment information

No operating segment information is presented as the Group's revenue and reported results during the period, and the Group's total assets as at the end of the period 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 where external customer is registered.

	For the six months ended 30 June	
	2022 (RMB'000) (Unaudited)	2021 (RMB'000) (Unaudited)
Mainland China	70,917	46,959
Singapore	60,603	41,286
Indonesia	28,164	1,078
Hong Kong	17,434	42,870
Others	13,345	11,263
Total	<u>190,463</u>	<u>143,456</u>

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 period is set out below:

	For the six months ended 30 June	
	2022 (RMB'000) (Unaudited)	2021 (RMB'000) (Unaudited)
Customer A	32,130	N/A*
Customer B	29,479	N/A*
Customer C	22,768	N/A*
Customer D	N/A*	38,007
Customer E	N/A*	19,909

\* Less than 10% of the Group's total revenue.

#### 4. REVENUE, OTHER INCOME AND GAINS

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

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

	<b>For the six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from contracts with customers		
Specified action revenue (where the Group acts as the principal)	<b>165,413</b>	114,431
— <i>comprehensive user acquisition services under CPA pricing model</i>	<b>164,929</b>	113,917
— <i>service for opening and/or topping-up advertisers' accounts under CPC/CPM pricing model</i>	<b>484</b>	514
Agreed rebates under CPC/CPM pricing model (where the Group acts as the agent)	<b>25,050</b>	29,025
	<b>190,463</b>	143,456
<i>Other income and gains</i>		
Others	<b>1,101</b>	595

Disaggregated revenue information for revenue from contracts with customers:

	<b>For the six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Timing of revenue recognition</i>		
Online advertising services transferred at a point in time	<b>190,463</b>	143,456



## 5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2022	2021
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Cost of services rendered (excluding those included in employee benefit expense)	154,721	107,049
Bank interest income	(74)	(101)
Depreciation of items of property, plant and equipment	81	73
Depreciation of right-of-use assets	373	682
Impairment/(reversal of impairment) of trade receivables and other receivables	909	(134)
Lease expenses arising from short-term leases*	298	—
Auditor's remuneration	700	700
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	15,119	12,854
Pension scheme contributions	2,118	1,483

\* 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 period, 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%.

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

	<b>For the six months ended 30 June</b>	
	<b>2022</b> <i>(RMB'000)</i> <b>(Unaudited)</b>	<b>2021</b> <i>(RMB'000)</i> <b>(Unaudited)</b>
Current income tax — Mainland China	1,438	1,679
Current income tax — Hong Kong	547	427
Deferred income tax	<u>(92)</u>	<u>45</u>
Total tax charge for the period	<b><u>1,893</u></b>	<b><u>2,151</u></b>

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:

	<b>For the six months ended 30 June</b>	
	<b>2022</b> <i>(RMB'000)</i> <b>(Unaudited)</b>	<b>2021</b> <i>(RMB'000)</i> <b>(Unaudited)</b>
Profit before tax	<u>8,222</u>	<u>15,914</u>
Tax calculated at a tax rate of 25% (2021: 25%)	2,056	3,979
Effect of different tax rates available to different subsidiaries of the Group	(237)	(1,828)
Expenses not deductible for tax purposes	<u>74</u>	<u>—</u>
	<b><u>1,893</u></b>	<b><u>2,151</u></b>

## 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 period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 619,644,972 (2021: 622,500,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2022 and 2021.

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

	<b>2022</b> <i>(RMB'000)</i> <b>(Unaudited)</b>	2021 <i>(RMB'000)</i> (Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u><u>6,269</u></u>	<u><u>13,763</u></u>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	<u><u>619,645</u></u>	<u><u>622,500</u></u>

## 9. TRADE RECEIVABLES

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

	<b>30 June</b> <b>2022</b> <i>(RMB'000)</i> <b>(Unaudited)</b>	31 December 2021 <i>(RMB'000)</i> (Audited)
Within 1 month	111,136	91,581
1–3 months	10,482	15,064
3–12 months	<u>4,454</u>	<u>469</u>
	<u><u>126,072</u></u>	<u><u>107,114</u></u>

## 10. TRADE PAYABLES

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

	<b>30 June</b> <b>2022</b> <i>(RMB'000)</i> <b>(Unaudited)</b>	31 December 2021 <i>(RMB'000)</i> (Audited)
Within 1 year	<u><u>203,663</u></u>	<u><u>195,720</u></u>

## **11. EVENTS AFTER THE REPORTING PERIOD**

The 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 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 impact, the Company will release further announcement as and when appropriate, and reflect it in the Group's 2022 annual financial statements.

## FUTURE AND OUTLOOK

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 our competitive advantage in video AI algorithm capabilities, and considering that AI technology is one of the core technologies supporting Metaverse, we plan to break through in the cutting-edge areas of AI on video, etc.

In the second half of 2022, we will step up our efforts in the R&D of AdTensor's AI algorithm system, such as video graphics optimisation, video multi-lingual processing, audio and speech synchronisation between video images and multi-lingual sound, and separation of pictures and sounds. The AI algorithm will help optimise our production efficiency and spending, which improves customers' return on investment, as well as increasing the competitive effects of our advertising.

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 our development in the field of social and interactive entertainment products. In the second half of 2022, we aim to launch our social media platform in the Metaverse market, while our gaming product is expected to enter into the self-testing stage. We are focusing on social media and online gaming and aiming to build them as our new business growth.

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, brand public relations services and video advertising production 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. Moreover, to continue developing 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 with 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 prepare 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 Reporting Period, 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 since the Listing Date.

In the opinion of the Directors, the Company has complied with all applicable code provisions of the CG Code for the Reporting Period except as disclosed below:

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 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 for the Reporting Period.

## **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 two independent non-executive Directors, namely Mr. Chan Foon and Mr. Zhang Yaoliang, and a non-executive Director, Mr. Hsia Timothy Chunhon. The chairman of the Audit Committee is Mr. Chan Foon.

## **Review of Interim Results**

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022, 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.

The financial information set out in this announcement represents an extract from the interim condensed consolidated financial information for the Reporting Period, which is unaudited but has been reviewed by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

## **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 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.

The original proposed allocation of the IPO Proceeds (the “**Planned Use of Proceeds**”), the reallocation of the Unutilised IPO Proceeds and the actual usage of the Unutilised IPO Proceeds up to 30 June 2022 are set out below:

	Approximate% of total IPO Proceeds %	Planned Use of Proceeds HK\$' million	Actual IPO Proceeds utilised up to Revised Allocation HK\$' million	Unutilised IPO Proceeds up to the Revised Allocation HK\$' million	Revised Allocation of the Unutilised IPO Proceeds and unutilised amount of the IPO Proceeds as at 1 January 2022 HK\$' million	Actual usage of the amount of IPO Proceeds for the six months ended 30 June 2022 HK\$' million	Unutilised amount of the IPO Proceeds as at 30 June 2022 HK\$' million	Expected timeline for utilising the remaining unutilised IPO Proceeds HK\$' million
AI technologies and technology capabilities; offering of our AdTensor platform	35	35.3	22.7	12.6	12.6	2.4	10.2	2022: 2.9 2023: 7.3
Local service capabilities and global footprint	20	20.2	10.4	9.8	9.8	6	3.8	2022: 3.8
IT infrastructure, management system, ERP system, ORACLE system and performance monitoring system	20	20.2	3.1	17.1	4.0	1.5	2.5	2022: 2.5
Sales and marketing and local presence in selected regions in China	15	15.1	7.8	7.3	12.2	3.6	8.6	2022: 8.6
Strategic investments and mergers and acquisitions	10	10.1	1.2	8.9	8.9	—	8.9	2022: 4.6 2023: 4.3
General working capital		—	—	—	8.2	3.5	4.7	2022: 4.7
<b>Total</b>		<b>100.9</b>	<b>45.2</b>	<b>55.7</b>	<b>55.7</b>	<b>17.0</b>	<b>38.7</b>	

## Future Plans for Material Investments or Capital Assets

Save as disclosed in the Prospectus and this announcement, the Group did not have any future plans for material investments or capital assets as at 30 June 2022.

## Subsequent Events

The lingering COVID-19 pandemic and strained Sino-US relations have brought additional uncertainties in 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 impact, the Company will release further announcement as and when appropriate, and reflect it in the Group’s 2022 annual financial statements.

Save as disclosed above, as at the date of this announcement, there was no other significant event subsequent to 30 June 2022.



## **Interim Dividend**

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

## **Publication of the 2022 Condensed Consolidated Interim Results and Interim Report**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.adtiger.hk](http://www.adtiger.hk)). The interim report for the six months ended 30 June 2022 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 due course.

## **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.

## **DEFINITIONS**

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

“AdTensor”	our proprietary ad optimisation and management platform
“AI”	artificial intelligence
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“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

“Company”	ADTIGER CORPORATIONS LIMITED, a company incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which are listed and traded on the Main Board of the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	the novel coronavirus 2019
“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
“Euros”	the lawful currency of the member states of the European Union
“FVTPL”	fair value through profit or loss
“Global Offering”	has the meaning ascribed to it under the Prospectus
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“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”	information and technology

“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
“Ms. Chang”	Ms. CHANG Sufang (常素芳), our executive Director, one of our founders and controlling shareholders
“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 on 22 June 2020, 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
“Reporting Period”	the six months ended 30 June 2022
“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

“U.S.” or “US” the United States of America

“USD” or “U.S. dollar(s)” U.S. dollars, the lawful currency of the U.S.

By order of the Board  
**ADTIGER CORPORATIONS LIMITED**  
**CHANG Sufang**

*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 29 August 2022

*As at 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.*