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 2022

The Board announces the consolidated annual results of the Group for the year ended 31 December 2022, together with comparative figures for the year ended 31 December 2021.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
			Year-to-Year
	2022	2021	Change
	RMB'000	*RMB'000*	*%*
Revenue	**354,646**	351,831	0.8
Gross profit	**61,729**	65,858	(6.3)
Profit for the year	**9,128**	11,893	(23.2)

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-tier media publishers, including overseas media such as Meta, Google, Snapchat, TikTok, Taboola, Outbrain, 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 our media partners 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. The case we built with Ctrip was awarded the 2022 Integrated Marketing Gold Case (2022年度整合營銷金案) in the 29th China International Advertising Festival (中國國際廣告節媒企盛典). We were also recognised as the Alibaba Group Digital Commerce — 2022 Think Tank Merchandiser (阿里巴巴集團海外數字商業2022年智囊團商家) by Alibaba Group and Kwai for Business 2022 Most Contributive Partner (Kwai for Business 2022年度最佳貢獻合作夥伴) by the Kwai for Business media platform.

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 675 as at 31 December 2022 (as at 31 December 2021: 596).

We have strategically focused on covering top-tier 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 33 as at 31 December 2022 (as at 31 December 2021: 32). 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.

Driven by the demands of advertisers and media publishers and the growing competition in the online advertising industry, our R&D team focuses on improving our ad formats and 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 being 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 Year, 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 adopted AI audio, 3D virtual character and human-like AI character technologies to produce 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 young 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 materials, and enhances 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, and be 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 agreeable as those featuring human actors, while with a lower production cost.

In order to meet the customers' requests for the 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, the US, Australia, the 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, who 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 production efficiency, reduce production costs, and 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 Year, our advertisers' advertising spending amounted to approximately RMB1.9 billion (Previous Year: approximately RMB1.4 billion), representing an approximately 35.7% increase.

In light of the global economic downturn and the declining demand for advertisement, we (i) prioritised the new demands of our advertisers and allocated more human resources in helping our advertisers to minimise the impact of economic downturn 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 a higher return on investment for our advertisers given the increased price of ad inventories of our major media publishers.

FINANCIAL REVIEW

Year Ended 31 December 2022 Compared to Year Ended 31 December 2021

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 years indicated:

	For the year ended 31 December			
	2022		2021	
	RMB'000	*%*	*RMB'000*	*%*
Revenue				
CPA pricing model				
— specified action revenue	**294,567**	**83.1**	309,524	88.0
CPC/CPM pricing model				
— specified action revenue	**3,030**	**0.8**	324	0.1
— agreed rebates	**57,049**	**16.1**	41,983	11.9
— Sub-total	**60,079**	**16.9**	42,307	12.0
Total	**354,646**	**100.0**	351,831	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 years indicated:

	For the year ended 31 December			
	2022		2021	
	RMB'000	*%*	*RMB'000*	*%*
Utility and content app develops	**89,295**	**25.2**	168,320	47.8
E-commerce	**98,931**	**27.9**	157,559	44.8
Tourism	**3,458**	**1.0**	11,094	3.2
Finance	**110,463**	**31.1**	4,697	1.3
Education	**48,933**	**13.8**	2,069	0.6
Others *Note*	**3,566**	**1.0**	8,092	2.3
Total	**354,646**	**100.0**	351,831	100.0

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

Our total revenue increased by approximately RMB2.8 million, or 0.8%, from approximately RMB351.8 million for the Previous Year to approximately RMB354.6 million for the Year, which primarily reflected an increase in revenue from CPC/CPM pricing model, which was mainly attributable to the expansion of our business scale in finance and education advertisements, partially offset by a decrease in revenue from CPA pricing model, which was primarily due to a decrease in revenue contribution from utility app developers.

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 years indicated:

	For the year ended 31 December			
	2022		2021	
	RMB'000	*%*	*RMB'000*	*%*
Cost of Sales				
Traffic acquisition costs [Note]				
Google	**117,486**	**40.1**	77,237	27.0
Facebook	**73,468**	**25.1**	135,882	47.5
Toutiao	**24,237**	**8.3**	11,985	4.2
TikTok	**18,500**	**6.3**	22,154	7.7
Others	**42,230**	**14.4**	18,727	6.6
Sub total	**275,921**	**94.2**	265,985	93.0
Expenses for external optimisers and designers	**11,050**	**3.8**	14,273	5.0
Salaries and benefits for internal optimisers and designers	**5,946**	**2.0**	5,715	2.0
Total	**292,917**	**100.0**	285,973	100.0

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

Our total cost of sales increased by approximately RMB6.9 million, or 2.4%, from approximately RMB286.0 million for the Previous Year to approximately RMB292.9 million for the Year, which primarily reflected (i) an increase of approximately RMB9.9 million, or 3.7%, in traffic acquisition costs resulting from the increased purchase of ad inventory; and (ii) an increase of approximately RMB0.2 million, or 4.1%, 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, partially offset by a decrease of approximately RMB3.2 million, or 22.6%, in expenses for external optimisers and designers, which was primarily due to our decreased demand for external optimisers as we carried out a larger portion of our ad optimisation and design work in-house.

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 years indicated:

	For the year ended 31 December	
	2022	2021
	RMB'000/%	*RMB'000/%*
CPA Pricing model		
Revenue	**294,567**	309,524
Cost of sales	**(286,633)**	(283,650)
Gross profit	**7,934**	25,874
Gross profit margin	**2.7%**	8.4%
CPC/CPM pricing model		
Revenue	**60,079**	42,307
Cost of sales	**(6,285)**	(2,323)
Gross profit	**53,794**	39,984
Gross profit margin	**89.5%**	94.5%
Total revenue	**354,646**	351,831
Total cost of sales	**(292,917)**	(285,973)
Total gross profit	**61,729**	65,858
Total gross profit margin	**17.4%**	18.7%

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 approximately RMB2.7 million, or 245.5%, from approximately RMB1.1 million for the Previous Year to approximately RMB3.8 million for the Year, primarily due to an increase in income from purchasing financial assets at fair value through profit or loss to improve the efficiency of cash.

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 approximately RMB1.0 million, or 10.8%, from approximately RMB9.3 million for the Previous Year to approximately RMB10.3 million for the Year, primarily as a result of an increase in salaries and benefits and bonus paid to our sales and marketing personnel, which was in line with our increase in the number of our advertisers and advertising spending in 2022.

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 property, plant and equipments 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 RMB2.0 million, or 4.8%, from approximately RMB41.4 million for the Previous Year to approximately RMB43.4 million for the Year, primarily as a result of the expansion of the Group's business and the increase in number of employees.

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 approximately RMB1.2 million, or 32.4%, from tax credits of approximately RMB3.7 million for the Previous Year to approximately RMB2.5 million for the Year.

Our income tax expense in the PRC changed from approximately RMB5.1 million for the Previous Year to approximately RMB0.5 million for the Year, primarily due to the decrease in taxable profit. Our income tax expense in Hong Kong decreased from approximately RMB933,000 for the Previous Year to approximately RMB748,000 for the Year, primarily due to the decrease in taxable profit.

Profit for the Year

Our profit for the year decreased by approximately RMB2.8 million, or 23.2%, from approximately RMB11.9 million for the Previous Year to approximately RMB9.1 million for the Year.

Employees and Remuneration Policies

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

	As at 31 December 2022		As at 31 December 2021	
	Number of Employees	***% of Total***	*Number of Employees*	*% of Total*
Optimisers and Designers	**55**	**32.2**	46	39.0
Sales and Marketing	**35**	**20.5**	29	24.6
Operations	**15**	**8.8**	11	9.3
Finance and Administration	**18**	**10.5**	17	14.4
IT and R&D	**48**	**28.0**	15	12.7
Total	**171**	**100.0**	118	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-site and internal trainings and opportunities for advancement. The Group's total staff costs (including Directors' emolument, salaries, bonus, social insurance and provident funds) amounted to approximately RMB43.1 million for the Year (Previous Year: approximately RMB34.1 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 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 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 the Share Award Scheme 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 for the Award Period, provided no further awards will be granted after the expiry of the Award Period. During the Year, no share awards had been granted or agreed to be granted by the Company under the Share Award Scheme.

The remuneration committee of the Company has at its meeting held on 22 March 2023 reviewed the Post-IPO Share Option Scheme and the Share Award Scheme.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2022 (as at 31 December 2021: 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 at 31 December 2022, cash and cash equivalents increased by approximately RMB2.0 million from approximately RMB269.6 million as at 31 December 2021 to approximately RMB271.6 million. The increase was primarily resulted from our strengthened control over management of credit terms and enhanced collection of trade receivables.

As at 31 December 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 Year.

Capital Commitments

As at 31 December 2022, the Group had contracted but not provided for capital contributions payable to FVTPL at an amount of approximately RMB8 million (as at 31 December 2021: approximately RMB16 million).

Charge on the Group's Assets

As at 31 December 2022, none of the Group's assets were charged with any parties or financial institutions (as at 31 December 2021: 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 43.1% and 43.7% of our revenue for the Year and Previous Year, 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. On the same basis, our largest customer accounted for 15.4% and 18.3% of our revenue for the Year and Previous Year, 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 customers during the Year.

Top Suppliers

Our top five suppliers accounted for 52.3% and 79.4% of our total costs of sales for the years ended 31 December 2022 and 2021, respectively. Our largest supplier accounted for 18.2% and 29.8% of our total costs of sales for the Year and Previous Year, 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	
	2022	2021
	RMB'000	*RMB'000*
Net cash flows from operating activities	**102,577**	10,688
Net cash flows used in investing activities	**(106,758)**	(20,818)
Net cash flows used in financing activities	**(4,031)**	(778)
Net decrease in cash and cash equivalents	**(8,212)**	(10,908)
Cash and cash equivalent at the beginning of the year	**269,576**	281,029
Cash and cash equivalent at the end of the year	**271,560**	269,576

During the Year, net cash flows from operating activities increased by approximately 859.7%, which was mainly due to increase in trade payables primarily resulting from increased purchases of ad inventories and better credit terms granted by our media publishers. Net cash flows used in investing activities increased by approximately 412.8%, primarily attributable to purchase of FVTPL. Net cash flows used in financial activities changed from a net outflow of approximately RMB0.8 million to a net outflow of approximately RMB4.0 million, mainly attributable to payment to trustee to purchase Shares under the Share Award Scheme.

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

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

Indebtedness

As at 31 December 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, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

As at 31 December 2022, our total lease liabilities were approximately RMB1.4 million (as at 31 December 2021: approximately RMB0.3 million).

Financial Ratios

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

	As at 31 December 2022	As at 31 December 2021
Return on equity[(1)]	**4.7%**	6.7%
Return on total assets[(2)]	**1.5%**	2.9%
Current ratio[(3)]	**1.4**	1.7
Gearing ratio[(4)]	**—**	—
Gross profit margin[(5)]	**17.4%**	18.7%
Net profit margin[(6)]	**2.6%**	3.4%

Notes:

(1) Return on equity ratio is profit for the year as a percentage of total equity as at year-end.

(2) Return on total assets ratio is profit for the year as a percentage of total assets as at year-end.

(3) Current ratio is total current assets as at year-end divided by total current liabilities as at year-end.

(4) Gearing ratio is total interest-bearing bank borrowings as at year-end as a percentage of total assets as at year-end. As at 31 December 2022 and 31 December 2021, 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) Net profit margin is profit for the year as a percentage of revenue.

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 at 31 December 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.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2022

	Notes	2022 RMB'000	2021 RMB'000
REVENUE	4	**354,646**	351,831
Cost of sales		**(292,917)**	(285,973)
Gross profit		**61,729**	65,858
Other income and gains	4	**3,755**	1,140
Selling and distribution expenses		**(10,296)**	(9,325)
Administrative expenses		**(43,441)**	(41,401)
Other expenses		**(72)**	(613)
Finance costs		**(34)**	(30)
PROFIT BEFORE TAX	5	**11,641**	15,629
Income tax expense	6	**(2,513)**	(3,736)
PROFIT FOR THE YEAR		**9,128**	11,893
ATTRIBUTABLE TO:			
Owners of the parent		**8,988**	11,833
Non-controlling interests		**140**	60
		9,128	11,893
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted *(RMB)*		**0.01**	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2022

	2022	2021
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**9,128**	11,893
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**41**	(505)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**41**	(505)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements	**10,003**	—
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**10,003**	—
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**10,044**	(505)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**19,172**	11,388
ATTRIBUTABLE TO:		
Owners of the parent	**19,032**	11,328
Non-controlling interests	**140**	60
	19,172	11,388

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

	Notes	2022 RMB'000	2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**367**	330
Right-of-use assets		**1,476**	332
Investment in an associate		**4,500**	—
Deferred tax assets		**1,364**	2,630
Financial assets at fair value through profit or loss		**12,871**	4,000
Total non-current assets		**20,578**	7,292
CURRENT ASSETS			
Trade receivables	9	**204,453**	107,114
Prepayments, other receivables and other assets	10	**11,911**	10,419
Cash and cash equivalents	11	**271,560**	269,576
Financial assets at fair value through profit or loss		**112,310**	16,575
Total current assets		**600,234**	403,684
CURRENT LIABILITIES			
Trade payables	12	**371,415**	195,720
Other payables and accruals	13	**45,026**	26,220
Tax payable		**9,244**	11,579
Lease liabilities		**1,148**	343
Total current liabilities		**426,833**	233,862
NET CURRENT ASSETS		**173,401**	169,822
TOTAL ASSETS LESS CURRENT LIABILITIES		**193,979**	177,114

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

	2022	2021
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**218**	—
Total non-current liabilities	**218**	—
Net assets	**193,761**	177,114
EQUITY		
Equity attributable to owners of the parent		
Share capital	**2,157**	2,157
Treasury shares	**(3,268)**	(743)
Reserves	**193,692**	174,660
	192,581	176,074
Non-controlling interests	**1,180**	1,040
Total equity	**193,761**	177,114

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.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

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	Hong Kong ("**HK**") 22 November 2010	HK$10,000	—	100%	Advertising services
Adtiger International Limited	HK 27 March 2019	HK$10,000	—	100%	Investment holding
Apotheosis Limited	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
CFormula Technology Company Limited	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

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	
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.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Due to the implementation of the share award scheme of the Group, the Company has set up a structured entity ("**Share Scheme Trust**"). The Share Scheme Trust was set up for administering and holding the Company's shares acquired for share award scheme which is set up for the benefits of eligible persons of the scheme. 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 under the scheme, the directors of the Company consider that it is appropriate to consolidate the Share Scheme Trust.

During the year ended 31 December 2022, the Company contributed approximately RMB3,268,000 (2021: RMB743,000) 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 disclosure requirements of the Hong Kong Companies Ordinance. They 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 2022. 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).

Generally, there is a presumption that a majority of voting rights results in control. 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

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

The nature and the impact of the revised HKFRSs that are applicable to the Group 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* (the "**Conceptual Framework**") 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 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 as determined by HKAS 2 *Inventories*, 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 prior to the property, plant and equipment being available for use, 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 amendment that is 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 from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

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 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[2]
HKFRS 17	*Insurance Contracts*[1]
Amendments to HKFRS 17	*Insurance Contracts*[1, 5]
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information*[6]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*[2, 4]
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to HKAS 8	*Definition of Accounting Estimates*[1]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

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

2 Effective for annual periods beginning on or after 1 January 2024

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised 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

6 An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of HKFRS 17

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 where the external customer is registered.

	2022	2021
	RMB'000	*RMB'000*
Mainland China	**131,647**	120,701
Indonesia	**92,320**	8,732
Singapore	**59,012**	133,426
Hong Kong	**46,970**	69,913
Others	**24,697**	19,059
	354,646	351,831

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:

	2022	2021
	RMB'000	*RMB'000*
Customer A	**54,594**	N/A*
Customer B	**37,692**	N/A*
Customer C	**N/A***	64,461

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

4. REVENUE, OTHER INCOME AND GAINS

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

	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Specified action revenue (where the Group acts as the principal)	**297,597**	309,848
— comprehensive user acquisition services under CPA pricing model	**294,567**	309,524
— service for opening and/or topping up advertisers accounts under CPC/CPM pricing model	**3,030**	324
Agreed rebates under CPC/CPM pricing model (where the Group acts as the agent)	**57,049**	41,983
	354,646	351,831
Other income and gains		
Others	**3,755**	1,140

(a) Timing of revenue recognition

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

	2022	2021
	RMB'000	*RMB'000*
At a point in time		
Online advertising services	**354,646**	351,831

(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):

	2022	2021
	RMB'000	*RMB'000*
Cost of services rendered (excluding those included in employee benefit expense)	**286,970**	280,257
Bank interest income	**(272)**	(271)
Depreciation of items of property, plant and equipment	**169**	143
Depreciation of right-of-use assets	**1,350**	968
Impairment/(Reversal of impairment) of trade receivables	**424**	(366)
Lease payments not included in the measurement of lease liabilities	**1,772**	638
Auditor's remuneration	**2,080**	2,080
Employee benefit expense		
Wages and salaries	**38,024**	29,769
Pension scheme contributions	**5,061**	4,336
Foreign exchange differences, net	**(414)**	558
Fair value gains, net	**(1,146)**	(75)

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%.

	2022	2021
	RMB'000	*RMB'000*
Current income tax — Hong Kong		
Charge for the year	**748**	1,117
Overprovision in prior years	**—**	(184)
Current income tax — Mainland China		
Charge for the year	**474**	5,088
Deferred income tax	**1,291**	(2,285)
Total tax charge for the year	**2,513**	3,736

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:

	2022	2021
	RMB'000	*RMB'000*
Profit before tax	**11,641**	15,629
Tax calculated at a tax rate of 25%	**2,910**	3,907
Lower tax rates for specific provinces or enacted by local authority	**(462)**	(75)
Adjustments in respect of current tax of previous periods	**—**	(184)
Expenses not deductible for tax	**65**	88
	2,513	3,736

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 and diluted 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 618,546,027 (2021: 622,472,651) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

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

	2022	2021
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**8,988**	11,833

	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	**618,546,027**	622,472,651

9. TRADE RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Trade receivables	**206,617**	108,698
Impairment	**(2,164)**	(1,584)
	204,453	107,114

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. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's related parties of RMB36,000 (2021: RMB38,000), 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 loss allowance, is as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 1 month	**154,415**	91,581
1 to 3 months	**49,787**	15,064
3 to 12 months	**251**	469
	204,453	107,114

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

	2022	2021
	RMB'000	*RMB'000*
At beginning of year	**1,584**	1,991
Impairment losses/(gains), net	**424**	(366)
Exchange realignment	**156**	(41)
At end of year	**2,164**	1,584

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. 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 2022

	Trade receivables ageing				
	Within 1 month	**1 to 3 months**	**3 to 12 months**	**Over 12 months**	**Total**
Expected credit loss rate	**0.10%**	**0.10%**	**41.36%**	**100.00%**	**1.05%**
Gross carrying amount *(RMB'000)*	**154,572**	**49,838**	**428**	**1,779**	**206,617**
Expected credit losses *(RMB'000)*	**157**	**51**	**177**	**1,779**	**2,164**

As at 31 December 2021

	Trade receivables ageing				
	Within 1 month	1 to 3 months	3 to 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

10. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2022	2021
	RMB'000	*RMB'000*
Prepayments	**915**	6,442
Deposits and other receivables*	**10,996**	3,977
	11,911	10,419

* Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment. The other receivables are neither past due nor impaired and their ECL consideration is set out in note 9 to financial statements.

11. CASH AND CASH EQUIVALENTS

	2022	2021
	RMB'000	*RMB'000*
Cash and bank balances	**271,560**	269,576

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB17,983,000 (2021: RMB78,012,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and 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.

12. 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:

	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**371,415**	195,720

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

13. OTHER PAYABLES AND ACCRUALS

	2022	2021
	RMB'000	*RMB'000*
Other payables*	**41,107**	23,707
Payroll and welfare payables	**3,578**	2,329
Other tax payable	**341**	184
	45,026	26,220

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

14. 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.

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 focuses 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.

Since the second half of 2022, we have stepped 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 optimising our production efficiency and spending, which will improve customers' return on investment, as well as increase 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 to actively deploy in the field of 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 the complex and volatile world economic situation 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 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 31 December 2022 are set out below:

	Approximate% of total IPO Proceeds %	Planned Use of Proceeds	Actual IPO Proceeds utilised up to Revised Allocation	Unutilised IPO Proceeds up to the Revised Allocation	Revised Allocation of the Unutilised IPO Proceeds and unutilised amount of the IPO Proceeds as at 1 January 2022	Actual usage of the amount of IPO Proceeds for the year ended 31 December 2022	Unutilised amount of the IPO Proceeds as at 31 December 2022	Expected timeline for utilising the remaining unutilised IPO Proceeds
	%	*HK$' million*	*HK$' million*	*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	5.3	7.3	2023: 7.3
Local service capabilities and global footprint	20	20.2	10.4	9.8	9.8	9.8	–	–
IT infrastructure, management system, ERP system, ORACLE system and performance monitoring system	20	20.2	3.1	17.1	4.0	4.0	–	–
Sales and marketing and local presence in selected regions in China	15	15.1	7.8	7.3	12.2	12.2	–	–
Strategic investments and mergers and acquisitions	10	10.1	1.2	8.9	8.9	4.6	4.3	2023: 4.3
General working capital		–	–	–	8.2	8.2	–	–
Total		100.9	45.2	55.7	55.7	44.1	11.6	

Subsequent Events

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 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 2022.

Final Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2022.

Annual General Meeting

The AGM is scheduled to be held on Tuesday, 6 June 2023. 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 Thursday, 1 June 2023 to Tuesday, 6 June 2023, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Tuesday, 6 June 2023. 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 Wednesday, 31 May 2023.

Publication of the 2022 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 2023.

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:

"Audit Committee"	the audit committee of the Board
"AdTensor"	our proprietary ad optimisation and management platform
"AGM"	annual general meeting of the Company
"AI"	artificial intelligence
"Award Period"	a term of ten years commenced on 29 September 2021
"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
"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 section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of 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
"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"	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
"Previous Year"	the year ended 31 December 2021
"Prospectus"	the prospectus of the Company dated 29 June 2020
"R&D"	the research and development
"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
"Share Award Scheme"	the share award scheme adopted by the Company, further details of which are described in the announcement of the Company on 29 September 2021
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TVC"	television commercial

"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 2022

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

Hong Kong, 22 March 2023

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.