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 2023

The Board announces the consolidated annual results of the Group for the year ended 31 December 2023, together with comparative figures for the year ended 31 December 2022.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
			Year-to-Year
	2023	2022	Change
	RMB'000	*RMB'000*	*%*
Revenue	**294,157**	354,646	(17.1)
Gross profit	**55,801**	61,729	(9.6)
(Loss)/profit for the year	**(11,464)**	9,128	(225.6)

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 (formerly Facebook), Google, Snapchat, TikTok, Taboola, Outbrain, Kwai, BIGO Ads, Twitter, Microsoft 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 Meta (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), an overseas advertising partner of Kwai (since 2021) and a certified agent of Outbrain (since 2022). In 2023, we became an official agent of Microsoft Advertising.

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. In 2023, the case we built with Ctrip was awarded the 23rd IAI Awards (IAI傳鑒國際廣告獎), while the case we built with LingoAce was awarded the 2023 ADMEN International Rewards — Integrated Marketing Gold Case (2023年度ADMEN國際大獎整合營銷實戰金案) and the 2023 Marketing Awards — Marketing Strategy Bronze Case (2023 Marketing Awards靈眸獎營銷策略組銅獎). We were also awarded the FastMoss2023 Best Foreign Advertisement Shorts Company (FastMoss2023年度海外短視頻廣告機構獎) and recognised by TikTok for Business as the Outstanding Agency in Ecosystem Track (生態賽道優秀代理) for the first half of the Year, the Pioneer Partner (先鋒開拓合作夥伴) of 2023 and the Core Tier 1 TikTok Marketing Partners for the fourth quarter of 2023.

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 785 as at 31 December 2023 (as at 31 December 2022: 675). For the Year, our advertisers' advertising spending amounted to approximately RMB2.7 billion (Previous Year: approximately RMB1.9 billion, representing an approximately 42.1% increase).

We have strategically focused on covering top-tier media publishers, including Meta (formerly Facebook), Google, Snapchat, TikTok, Taboola, Outbrain, Kwai, BIGO Ads, Twitter, Microsoft, 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 50 as at 31 December 2023 (as at 31 December 2022: 33). 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.

Our services are empowered by our proprietary ad optimisation and management platform — AdTensor. We have completely reorganized our AdTensor technology platform and added a new cluster of AI GPU hosts, while the computing capability and scalability of which have been greatly expanded. Our AI audio technology has become more delicate in terms of tone, emotion, timbre and many other dimensions. With real-time high-precision motion capture technology, the 3D virtual character generated became more realistic. It is able to achieve a better interpretation of the product's point of interest, as well as richer expression and emotions. Our AI digital figures technology is widely applied to materials generation. In addition, cutting-edge functions such as Artificial Intelligence Generated Content (AIGC) and large language models were also integrated into our AdTensor technology platform.

We have reserved many AI algorithms and functions and combined them horizontally and vertically to build numerous efficient audio and video production workflows. For example, with the AI automatic editing function, we have redefined the concept of "editing". In the past, editors were required to spend hundreds or thousands of hours for editing work, however, with our AI system, editors only need to use natural languages to instruct AI on how to shoot and edit footages, and the system can produce the video in a minute. In addition, our translation function can automatically translate the language in the video into multiple languages. A customer's promotional video can be "used globally".

In order to meet the customers' demand for the localized video featuring humans, we have set up a global network of actors and filming resources. The global actors pool includes 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. The cast is very diversified, covering different industries and different social classes such as amateur and professional actors, internet celebrities and key opinion leaders. 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.

During the Reporting Period, we have been aggressively pursuing diverse business development and exploring more potential sources of business growth, such as expanding our team of professional talents in game development and developing online games, with the aim of enhancing Shareholders' value.

In the future, we will continue to observe and explore foreign emerging markets, adhere to the concept of combining technical materials and shooting that features real-person casts and continuously improve production efficiency and quality, in order to facilitate the growth of brands entering foreign markets. We will also remain cautiously optimistic while exploring various opportunities and new sources of business growth, with the aim of developing the Group's business, diversifying the Group's profit base and enhancing the return of Shareholders.

FINANCIAL REVIEW

Year Ended 31 December 2023 Compared to Year Ended 31 December 2022

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			
	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Revenue				
CPA pricing model				
— specified action revenue	**230,038**	**78.2**	294,567	83.1
CPC/CPM pricing model				
— specified action revenue	**5,136**	**1.7**	3,030	0.8
— agreed rebates	**58,983**	**20.1**	57,049	16.1
— Sub-total	**64,119**	**21.8**	60,079	16.9
Total	**294,157**	**100.0**	354,646	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			
	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Utility and content app develops	**68,355**	**23.2**	89,295	25.2
E-commerce	**102,445**	**34.8**	98,931	27.9
Tourism	**4,145**	**1.4**	3,458	1.0
Finance	**110,700**	**37.6**	110,463	31.1
Education	**4,612**	**1.6**	48,933	13.8
Others *Note*	**3,900**	**1.4**	3,566	1.0
Total	**294,157**	**100.0**	354,646	100.0

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

Our total revenue decreased by approximately RMB60.4 million, or 17.1%, from approximately RMB354.6 million for the Previous Year to approximately RMB294.2 million for the Year, which primarily reflected a decrease in revenue from CPA pricing model. This was mainly attributable to the global economic downturn and a decrease in demand for advertisement, especially the decrease in revenue from the education industry.

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 optimizing 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			
	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Cost of Sales				
Traffic acquisition costs [Note]				
Google	**100,481**	**42.2**	117,486	40.1
Meta (formerly Facebook)	**42,834**	**18.0**	73,468	25.1
TikTok	**40,202**	**16.9**	18,500	6.3
Toutiao	**3,404**	**1.4**	24,237	8.3
Others	**32,967**	**13.8**	42,230	14.4
Sub total	**219,888**	**92.3**	275,921	94.2
Expenses for external optimisers and designers	**13,411**	**5.6**	11,050	3.8
Salaries and benefits for internal optimisers and designers	**5,057**	**2.1**	5,946	2.0
Total	**238,356**	**100.0**	292,917	100.0

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

Our total cost of sales decreased by approximately RMB54.5 million, or 18.6%, from approximately RMB292.9 million for the Previous Year to approximately RMB238.4 million for the Year, which primarily reflected a decrease of approximately RMB56.0 million, or 20.3%, in traffic acquisition costs resulting from the decreased purchase of ad inventory, partially offset by an increase of approximately RMB2.4 million, or 21.4%, in expenses for external optimisers and designers, which was primarily due to our increased demand for external optimisers for enhancing our service capabilities.

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	
	2023	2022
	RMB'000/%	*RMB'000/%*
CPA Pricing model		
Revenue	**230,038**	294,567
Cost of sales	**(226,623)**	(286,633)
Gross profit	**3,415**	7,934
Gross profit margin	**1.5%**	2.7%
CPC/CPM pricing model		
Revenue	**64,119**	60,079
Cost of sales	**(11,733)**	(6,285)
Gross profit	**52,386**	53,794
Gross profit margin	**81.7%**	89.5%
Total revenue	**294,157**	354,646
Total cost of sales	**(238,356)**	(292,917)
Total gross profit	**55,801**	61,729
Total gross profit margin	**19.0%**	17.4%

Other Income and Gains

Our other income and gains primarily consist of (i) bank interest income; and (ii) foreign exchange gains.

Our other income and gains increased by approximately RMB2.3 million, or 60.5%, from approximately RMB3.8 million for the Previous Year to approximately RMB6.1 million for the Year, primarily due to an increase in interest income from increased bank balances.

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 RMB1.6 million, or 15.5%, from approximately RMB10.3 million for the Previous Year to approximately RMB11.9 million for the Year, primarily as a result of the increase in marketing activities for the purpose of expanding the Company's market share.

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 property, plant and equipment 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 RMB19.3 million, or 44.5%, from approximately RMB43.4 million for the Previous Year to approximately RMB62.7 million for the Year, primarily as a result of: (i) the increase of our R&D expense by approximately RMB8.7 million or 241.7% resulted from our aggressive effort in promoting diverse business development, expanding our professional game R&D team and developing online games; and (ii) the increase of approximately RMB6.0 million or 1,500% in asset impairment losses during the Reporting Period mainly attribute to our full provision for impairment on the possible unrecoverable accounts receivable from a customer.

Income Tax Credit/(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.

We recorded tax credits of approximately RMB1.8 million for the Year, compared to tax expenses of approximately RMB2.5 million for the Previous Year, which was primarily as a result of a decrease in taxable profit and the net loss recorded for the Reporting Period.

(Loss)/Profit for the Year

We recorded a loss of approximately RMB11.5 million for the Year, compared to a profit of approximately RMB9.1 million for the Previous 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 2023		As at 31 December 2022	
	Number of Employees	***% of Total***	*Number of Employees*	*% of Total*
Optimisers and Designers	**50**	**35.2**	55	32.2
Sales and Marketing	**29**	**20.4**	35	20.5
Operations	**22**	**15.5**	15	8.8
Finance and Administration	**20**	**14.1**	18	10.5
IT and R&D	**21**	**14.8**	48	28.0
Total	**142**	**100.0**	171	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 RMB43.0 million for the Year (Previous Year: approximately RMB43.1 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 26 March 2024 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 2023 (as at 31 December 2022: 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 2023, cash and cash equivalents increased by approximately RMB86.9 million from approximately RMB271.6 million as at 31 December 2022 to approximately RMB358.5 million. The increase was primarily resulted from (i) our strengthened control over management of credit terms; (ii) the proceeds from disposal of financial assets at FVTPL; and (iii) the proceeds from the Placing.

As at 31 December 2023, 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.

The Group's financial assets at FVTPL decreased by RMB57.5 million from RMB125.2 million as at 31 December 2022 to RMB67.7 million as at 31 December 2023, which was principally attributable to the redemption of certain structured deposits and the wealth management schemes established between the Group and various financial institutions.

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

Save as disclosed in the sections headed "Use of Proceeds from Global Offering" and "Use of Proceeds from Placing of New Shares" 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 31 December 2023, the Group had contracted but not provided for capital contributions payable to FVTPL at an amount of approximately RMB8 million (as at 31 December 2022: approximately RMB8 million).

Charge on the Group's Assets

As at 31 December 2023, none of the Group's assets were charged with any parties or financial institutions (as at 31 December 2022: nil).

Future Plan for Material Investment and Capital Assets

Save as disclosed in the Prospectus and in the sections headed "Use of Proceeds from Global Offering" and "Use of Proceeds from Placing of New Shares" 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 39.9% and 43.1% 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 14.4% and 15.4% 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 71.0% and 52.3% of our total costs of sales for the years ended 31 December 2023 and 2022, respectively. Our largest supplier accounted for 25.5% and 18.2% 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	
	2023	2022
	RMB'000	*RMB'000*
Net cash flows from operating activities	**62,612**	102,577
Net cash flows from/(used in) investing activities	**12,652**	(106,758)
Net cash flows from/(used in) financing activities	**9,203**	(4,031)
Net increase/(decrease) in cash and cash equivalents	**84,467**	(8,212)
Cash and cash equivalent at the beginning of the year	**271,560**	269,576
Cash and cash equivalent at the end of the year	**358,466**	271,560

During the Year, net cash flows from operating activities decreased by approximately 39.0%, which was mainly due to decrease in operating cash flow resulting from decreased operating profit during the Reporting Period. Net cash flows in investing activities changed from a net outflow of approximately RMB106.8 million to a net inflow of approximately RMB12.7 million, primarily attributable to the redemption of financial assets at FVTPL. Net cash flows in financing activities changed from a net outflow of approximately RMB4.0 million to a net inflow of approximately RMB9.2 million, mainly attributable to receipt of proceeds from the Placing.

Significant change in accounting policy

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

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*

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 2023, we did not apply for 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 2023, our total lease liabilities were approximately RMB3.1 million (as at 31 December 2022: approximately RMB1.4 million).

Financial Ratios

The following table sets forth certain financial ratios as at the Statement of Financial Position dates indicated:

	As at 31 December 2023	As at 31 December 2022
Return on equity (1)	**–5.8%**	4.7%
Return on total assets (2)	**–1.7%**	1.5%
Current ratio (3)	**1.4**	1.4
Gearing ratio (4)	**—**	—
Gross profit margin (5)	**19.0%**	17.4%
Net profit margin (6)	**–3.9%**	2.6%

Notes:

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

(2) Return on total assets ratio is (loss)/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 2023 and 31 December 2022, 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 (loss)/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 comprise 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 2023. 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 2023

	Notes	**2023** ***RMB'000***	2022 *RMB'000*
REVENUE	4	**294,157**	354,646
Cost of sales		**(238,356)**	(292,917)
Gross profit		**55,801**	61,729
Other income and gains	4	**6,081**	3,755
Selling and distribution expenses		**(11,893)**	(10,296)
Administrative expenses		**(62,676)**	(43,441)
Other expenses		**(142)**	(72)
Finance costs		**(96)**	(34)
Share of profits and losses of:			
Associates		**(296)**	—
(LOSS)/PROFIT BEFORE TAX	5	**(13,221)**	11,641
Income tax credit/(expense)	6	**1,757**	(2,513)
(LOSS)/PROFIT FOR THE YEAR		**(11,464)**	9,128
ATTRIBUTABLE TO:			
Owners of the parent		**(10,874)**	8,988
Non-controlling interests		**(590)**	140
		(11,464)	9,128
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted *(RMB)*		**(0.02)**	0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2023

	2023	2022
	RMB'000	*RMB'000*
(LOSS)/PROFIT FOR THE YEAR	**(11,464)**	9,128
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**445**	41
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**445**	41
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	**1,940**	10,003
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**1,940**	10,003
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**2,385**	10,044
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(9,079)**	19,172
ATTRIBUTABLE TO:		
Owners of the parent	**(8,489)**	19,032
Non-controlling interests	**(590)**	140
	(9,079)	19,172

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2023

	Notes	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**393**	367
Right-of-use assets		**3,284**	1,476
Investment in an associate		**4,204**	4,500
Deferred tax assets		**4,290**	1,364
Financial assets at fair value through profit or loss	9	**12,613**	12,871
Total non-current assets		**24,784**	20,578
CURRENT ASSETS			
Trade receivables	10	**178,107**	204,453
Prepayments, other receivables and other assets	11	**8,631**	11,911
Cash and cash equivalents	12	**358,466**	271,560
Time deposits	12	**45,601**	—
Financial assets at fair value through profit or loss	9	**55,072**	112,310
Total current assets		**645,877**	600,234
CURRENT LIABILITIES			
Trade payables	13	**400,773**	371,415
Other payables and accruals	14	**63,298**	45,026
Tax payable		**7,372**	9,244
Lease liabilities		**2,129**	1,148
Total current liabilities		**473,572**	426,833
NET CURRENT ASSETS		**172,305**	173,401
TOTAL ASSETS LESS CURRENT LIABILITIES		**197,089**	193,979

	Notes	**2023** *RMB'000*	2022 *RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**970**	218
Total non-current liabilities		**970**	218
Net assets		**196,119**	193,761
EQUITY			
Equity attributable to owners of the parent			
Share capital		**2,599**	2,157
Treasury shares		**(3,268)**	(3,268)
Reserves		**196,198**	193,692
		195,529	192,581
Non-controlling interests		**590**	1,180
Total equity		**196,119**	193,761

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

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**") 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
Hong Kong 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/Chinese Mainland 11 May 2016	RMB12,500,000	—	100%	Advertising services
AdTiger Technology Company Limited* 虎視科技有限公司(i)	PRC/ Chinese Mainland 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 Direct	Indirect	Principal activities
Hainan AdTiger Information Technology Co., Ltd.* 海南虎視信息技術有限公司	PRC/ Chinese Mainland 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/ Chinese Mainland 21 May 2021	RMB2,000,000	—	100%	Advertising services

Note:

(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.

As at 31 December 2023, the Company contributed approximately RMB3,268,000 (2022: RMB3,268,000) to the Share Scheme Trust for financing its acquisition of the Company's shares.

2. ACCOUNTING POLICIES

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**") 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 2023. 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 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 the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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 new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, and the amendments did not have any impact on the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

(d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28	*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*[1]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*[1, 4]
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2020 Amendments")*[1, 4]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*[1]
Amendments to HKAS 21	*Lack of Exchangeability*[2]

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

2 Effective for annual periods beginning on or after 1 January 2025

3 No mandatory effective date yet determined but available for adoption

4 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

The Group is in the process of making an assessment of the impact of these revised HKFRSs upon initial application. So far, the Group considers that these 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. 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 the information of the Group's revenue from external customers based on the countries/jurisdictions where the external customer is registered.

	2023	2022
	RMB'000	*RMB'000*
Chinese Mainland	**109,860**	131,647
Hong Kong	**65,740**	46,970
Indonesia	**50,753**	92,320
Singapore	**40,520**	59,012
Others	**27,284**	24,697
	294,157	354,646

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

Information about major customers

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

	2023	2022
	RMB'000	*RMB'000*
Customer A	**42,420**	N/A*
Customer B	**N/A***	54,594
Customer C	**N/A***	37,692

* 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:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Specified action revenue (where the Group acts as the principal)	**235,174**	297,597
Agreed rebates (where the Group acts as the agent)	**58,983**	57,049
Total revenue	**294,157**	354,646
Other income and gains		
Others	**6,081**	3,755

(a) Timing of revenue recognition

	2023	2022
	RMB'000	*RMB'000*
At a point in time		
Online advertising services	**294,157**	354,646

(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. (LOSS)/PROFIT BEFORE TAX

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

	2023	2022
	RMB'000	*RMB'000*
Cost of services rendered (excluding those included in employee benefit expense)	**233,299**	286,970
Bank interest income	**(2,922)**	(272)
Depreciation of items of property, plant and equipment	**260**	169
Depreciation of right-of-use assets	**2,096**	1,350
Impairment of trade receivables	**6,428**	424
Lease payments not included in the measurement of lease liabilities	**2,475**	1,772
Auditor's remuneration	**2,080**	2,080
Employee benefit expense		
Wages and salaries	**38,454**	38,024
Pension scheme contributions	**4,519**	5,061
Foreign exchange differences, net	**(1,046)**	(414)
Fair value loss/(gains), net	**14**	(1,146)

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%.

	2023	2022
	RMB'000	*RMB'000*
Current — Hong Kong		
Charge for the year	**1,160**	748
Current — Chinese Mainland		
Charge for the year	**—**	474
Deferred	**(2,917)**	1,291
Total	**(1,757)**	2,513

A reconciliation of the tax (credit)/expense applicable to (loss)/profit before tax at the statutory tax rate applicable in Chinese Mainland to the tax expense at the effective tax rate is as follows:

	2023	2022
	RMB'000	*RMB'000*
(Loss)/Profit before tax	**(13,221)**	11,641
Tax calculated at a tax rate of 25%	**(3,305)**	2,910
Lower tax rates for specific provinces or enacted by local authority	**(471)**	(462)
Expenses not deductible for tax	**232**	65
Tax losses not recognised	**1,787**	—
Total	**(1,757)**	2,513

7. DIVIDENDS

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

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 689,095,137 (2022: 618,546,027) in issue after deduction of the treasury shares held during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

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

	2023	2022
	RMB'000	*RMB'000*
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/earnings per share calculation	**(10,874)**	8,988

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	**689,095,137**	618,546,027

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RMB'000	*RMB'000*
Non-current		
Unlisted equity investments, at fair value	**12,613**	12,871
Current		
Other unlisted investments, at fair value	**55,072**	112,310
Total	**67,685**	125,181

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

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

10. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**186,748**	206,617
Impairment	**(8,641)**	(2,164)
Net carrying amount	**178,107**	204,453

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.

There were no amounts due from the Group's related parties included in the Group's trade receivables as at 31 December 2023 (2022: RMB36,000), 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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**139,716**	154,415
1 to 3 months	**35,432**	49,787
3 to 12 months	**2,959**	251
Total	**178,107**	204,453

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

	2023	2022
	RMB'000	*RMB'000*
At beginning of year	**2,164**	1,584
Impairment losses, net	**6,428**	424
Exchange realignment	**49**	156
At end of year	**8,641**	2,164

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 2023

	Trade receivables ageing				
	Within 1 month	**1 to 3 months**	**3 to 12 months**	**Over 12 months**	**Total**
Expected credit loss rate	**0.13%**	**0.13%**	**45.25%**	**100.00%**	**4.63%**
Gross carrying amount *(RMB'000)*	**140,733**	**35,470**	**3,896**	**6,649**	**186,748**
Expected credit losses *(RMB'000)*	**183**	**46**	**1,763**	**6,649**	**8,641**

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

11. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2023	2022
	RMB'000	*RMB'000*
Prepayments	**192**	915
Deposits and other receivables*	**8,439**	10,996
Total	**8,631**	11,911

* Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment. The other receivables are neither past due nor impaired.

12. CASH AND CASH EQUIVALENTS

	2023	2022
	RMB'000	*RMB'000*
Cash and bank balances	**358,466**	271,560
Time deposits	**45,601**	—
	404,067	271,560
Less: Non-pledged time deposits with original maturity of more than three months when acquired	**(45,601)**	—
Cash and cash equivalents	**358,466**	271,560

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB129,856,000 (2022: RMB17,983,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland'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.

13. 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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**400,773**	371,415

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

14. OTHER PAYABLES AND ACCRUALS

	2023	2022
	RMB'000	*RMB'000*
Other payables*	**60,822**	41,107
Payroll and welfare payables	**2,166**	3,578
Other tax payable	**310**	341
Total	**63,298**	45,026

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

15. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the end of the reporting period.

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 has focused on improving our ad formats and ad creatives as well as supporting the development and maintenance of AdTensor.

In order to better serve our advertiser customers, we will provide them 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, alongside the organic growth of our business, we also plan to pursue strategic investment and merger and acquisition opportunities that would help strengthening our offerings and enhancing our business reputation.

We will step up our efforts in technological innovations and increase our R&D investment, especially in terms of AI, big data analysis and automation technology. Not only will we further optimise the AdTensor platform, but we will also explore the potential impact and application of emerging technology on the advertising industry, utilising technological innovations as our main mean to improve efficiency and lower cost while optimising the effectiveness of our advertisements.

We will further strengthen our global presence. Facing the global economic landscape and evolving international circumstances, we will pay close attention to the macro trend and make flexible adjustments to our business strategies to adapt to market changes. In particular, building our global presence and global partner network will be one of our core priorities.

We will investigate development opportunities in fields such as digital entertainment, online gaming, social media and metaverse, in order to explore a diverse operating strategy. Through diverse markets and product lines, we can mitigate geopolitical risks and pursue cooperation with leading companies in various industries, allowing us to develop new market opportunities and improve our efficiency through resources and technology sharing.

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 mandatory disclosure requirements and 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 independent non-executive Directors, namely Mr. Chan Foon and Mr. Zhang Yaoliang, and one of whom is a non-executive Director, being Mr. Zheng Qi. 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 from Global Offering

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 2023 are set out below:

	Approximate % of total IPO Proceeds	Planned Use of Proceeds	Unutilised IPO Proceeds up to the Revised Allocation	Revised Allocation of the Unutilised IPO Proceeds	Unutilised amount of the IPO Proceeds as at 1 January 2023	Actual usage of the amount of IPO Proceeds for the year ended 31 December 2023	Unutilised amount of the IPO Proceeds as at 31 December 2023	Expected timeline for utilising the remaining unutilised IPO Proceeds
	%	*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	12.6	12.6	7.3	7.3	—	—
Local service capabilities and global footprint	20	20.2	9.8	9.8	—	—	—	—
IT infrastructure, management system, ERP system, ORACLE system and performance monitoring system	20	20.2	17.1	4.0	—	—	—	—
Sales and marketing and local presence in selected regions in China	15	15.1	7.3	12.2	—	—	—	—
Strategic investments and mergers and acquisitions	10	10.1	8.9	8.9	4.3	—	4.3	By 31 December 2024 (Note)
General working capital		—	—	8.2	—	—	—	—
Total		100.9	55.7	55.7	11.6	7.3	4.3	

Note: The delay in the use of the Unutilised IPO Proceeds for strategic investments and mergers and acquisitions purposes was mainly due to the lack of suitable investment targets under relevant market conditions.

During the Reporting Period, the Group had followed the proposed use of the Unutilised IPO Proceeds as disclosed in the announcement of the Company dated 24 December 2021.

Use of Proceeds from Placing of New Shares

References are made to the Company's announcements dated 25 May 2023 and 5 June 2023 regarding the Placing (the "**Placing Announcements**").

The completion of the Placing took place on 5 June 2023. The Placing was for the purpose of raising further capital for the Company whilst broadening the shareholder base and the capital base of the Company. The net proceeds received by the Company were approximately HK$12,818,520 (after deduction of placing commission), representing a net placing price of approximately HK$0.103 per placing Share. The Directors intended to use the net proceeds from the Placing to strengthen and improve the services of our AdTensor platform and for general working capital purposes. For details, please refer to the Placing Announcements.

The following table sets out a breakdown of the use of net proceeds as at 31 December 2023:

	Approximate % of total net proceeds	**Planned use of net proceeds**	**Actual usage of the net proceeds for the year ended 31 December 2023**	**Unutilised amount of the net proceed as at 31 December 2023**	**Expected timeline for utilising the remaining balance of net proceeds from the Placing**
	%	*HK$ million*	*HK$ million*	*HK$ million*	
Strengthening the big data, machine learning and AI capabilities; and improving the services of the Group's AdTensor platform	70	9.0	—	9.0	By 31 December 2024
Supplementing the Group's operating and general working capital	30	3.8	3.8	—	
Total	100	12.8	3.8	9.0	

Subsequent Events

Save as disclosed in this announcement, as of the date of this announcement, there was no other significant event subsequent to 31 December 2023.

Final Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2023.

Annual General Meeting

The AGM is scheduled to be held on Thursday, 6 June 2024. 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 Monday, 3 June 2024 to Thursday, 6 June 2024, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Thursday, 6 June 2024. 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 Friday, 31 May 2024.

Publication of the 2023 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 2024.

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
"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 C1 (formerly Appendix 14) to the Listing Rules
"China" or "Chinese Mainland" or "PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"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
"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$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	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 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 C3 (formerly 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
"Placing"	the placing of 124,500,000 Shares at the placing price of HK$0.104 per Share conducted by the Company pursuant to a placing agreement dated 25 May 2023
"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
"Previous Year"	the year ended 31 December 2022
"Prospectus"	the prospectus of the Company dated 29 June 2020
"R&D"	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” or “Reporting Period”	the year ended 31 December 2023

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

Hong Kong, 26 March 2024

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