

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*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)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The Board announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2023, together with comparative figures for the six months ended 30 June 2022. In this announcement, “we”, “us” and “our” refer to the Company and where the context otherwise requires, the Group.

### FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000	Period-to- Period Change %
Revenue	167,733	190,463	(11.9)
Gross profit	34,300	32,887	4.3
Profit for the period	5,423	6,329	(14.3)

### INTERIM DIVIDEND

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

We are an online advertising platform that connects our advertisers with our media publishers, either directly or indirectly through resellers designated by our media publishers. With a view to providing China-based advertisers with overseas online advertising services, it has consistently been our strategy to cover top-tier media publishers, including overseas media such as Meta (formerly Facebook), 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. In 2023, the case we built with Ctrip was awarded the 23rd IAI Awards (IAI傳鑿國際廣告獎). We were also recognised as the Outstanding Agency in Ecosystem Track (生態賽道優秀代理) by TikTok for business for the first half 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 710 as at 30 June 2023 (as at 31 December 2022: 675).

We have strategically focused on covering top media publishers, including Facebook, Google, Snapchat, TikTok, Taboola, Kwai, BIGO Ads, Twitter, Bing, Pinterest and Yahoo etc. We help match our media publishers' available ad inventories to appropriate ad campaigns that maximise their monetisation potential. Our number of media publishers from whom we purchase ad inventories reached 50 as at 30 June 2023 (as at 31 December 2022: 33). We plan to expand our media publishers 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. 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. In order to strengthen our competitive advantage in video AI algorithm capabilities, and considering that AI technology is one of the core technologies supporting the next generation of the internet — Metaverse, we plan to break through in the cutting-edge areas of AI on video, etc. During the Reporting Period, we have increased our R&D investment in AdTensor; and use AI to develop strategies, manage advertisements, generate advertising materials and report results.

In respect of technology-empowered materials creation, we have maintained a high level of focus and effort. We have been practicing the concept of generating advertising materials with the help of AI technology for many years. Recently, it has been recognized by a wider range of industry players and the AIGC has a consensus on it. We have completely reorganized our AdTensor technology platform and added a new cluster of AI GPU hosts. The computing capability and scalability have been greatly expanded. The training of AI models and the speed of material generation have been significantly improved.

After several iterations, our AI audio technology has significantly improved compared to the past. Concerning tone, emotion, timbre, and many other dimensions are more delicate and realistic, AI audio is highly indistinguishable from a professional voice-over.

In respect of 3D virtual character, character models are more realistic due to the enhanced computing capability. With real-time high-precision motion capture technology, the face, limbs and gestures of 3D virtual character are more natural. It is able to achieve 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. Outstanding results were achieved in the areas such as utility, e-commerce, social and finance. It also helped our customers to lower the cost and enhance effectiveness.

In addition, cutting edge functions such as AI drawings and large language model were also integrated into our AdTensor technology platform. We have activated many AI skills and integrated them to compose many highly effective materials generation workflows.

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 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.

In the future, we will continue to adhere to the concept of combining technical materials and shooting that features real-person casts, continuously improve production efficiency and quality, reduce production costs, and improve the return on investment for customers, which will in turn lead to a more efficient materials production process, with more diversified contents and more outstanding quality.

For the Reporting Period, our advertisers' advertising spending amounted to RMB1,193 million (six months ended 30 June 2022: RMB783.8 million), representing an approximately 52.2% 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; 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

### Six Months Ended 30 June 2023 Compared to Six Months Ended 30 June 2022

#### Revenue

During the Reporting Period, we mainly generated all of our revenue from the provision of online advertising services.

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

	For the six months ended 30 June		2022	
	<i>RMB'000</i> (Unaudited)	%	<i>RMB'000</i> (Unaudited)	%
<b>Revenue</b>				
<b>CPA pricing model</b>				
— specified action revenue	<b>130,490</b>	<b>77.8</b>	164,929	86.6
<b>CPC/CPM pricing model</b>				
— specified action revenue	<b>2,187</b>	<b>1.3</b>	484	0.2
— agreed rebates	<b>35,056</b>	<b>20.9</b>	25,050	13.2
Sub-total	<b>37,243</b>	<b>22.2</b>	25,534	13.4
<b>Total</b>	<b>167,733</b>	<b>100.0</b>	<b>190,463</b>	<b>100.0</b>

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

	<b>For the six months ended 30 June</b>			
	<b>2023</b>		<b>2022</b>	
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
Utility and content app developers	68,461	40.8	81,361	42.7
E-commerce	60,222	35.9	54,052	28.4
Education	3,973	2.4	30,672	16.1
Tourism	2,496	1.5	1,449	0.8
Finance	28,490	17.0	17,178	9.0
Others <sup>Note</sup>	4,091	2.4	5,751	3.0
<b>Total</b>	<b><u>167,733</u></b>	<b><u>100.0</u></b>	<b><u>190,463</u></b>	<b><u>100.0</u></b>

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

Our total revenue decreased by RMB22.7 million, or 11.9%, from RMB190.5 million for the six months ended 30 June 2022 to RMB167.7 million for the Reporting Period, which is mainly attributable to the impact of global economic downturn and the declining demand of advertisement.

### ***Cost of Sales***

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

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

	<b>For the six months ended 30 June</b>			
	<b>2023</b>		<b>2022</b>	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
Cost of Sales				
Traffic acquisition costs <sup>Note</sup>				
Google	<b>55,559</b>	<b>41.6</b>	54,491	34.6
Facebook	<b>27,154</b>	<b>20.4</b>	42,162	26.8
TikTok	<b>18,728</b>	<b>14.0</b>	36,080	22.9
Toutiao	<b>2,663</b>	<b>2.0</b>	10,122	6.4
Others	<b>21,740</b>	<b>16.3</b>	9,114	5.8
<b>Sub total</b>	<b>125,844</b>	<b>94.3</b>	151,969	96.5
Salaries and benefits for external optimisers and designers	<b>4,654</b>	<b>3.5</b>	2,752	1.7
Salaries and benefits for internal optimisers and designers	<b>2,935</b>	<b>2.2</b>	2,855	1.8
<b>Total</b>	<b>133,433</b>	<b>100.0</b>	157,576	100.0

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

Our total cost of sales decreased by RMB24.1 million, or 15.3%, from RMB157.6 million for the six months ended 30 June 2022 to RMB133.4 million for the Reporting Period, which primarily reflected a decrease of 17.2% in traffic acquisition costs of RMB26.1 million resulting from the decreased purchase of ad inventory from utility app developer, partially offset by (i) an increase of 69.1% in the salaries and benefits of RMB1.9 million for external optimisers and designers; and (ii) an increase of 2.8% in the salaries and benefits for the internal optimisers and designers as a result of the increase in the number of our optimisers and designers hired for the purpose of enhancing our service capabilities.

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

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

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 total gross profit and total gross profit margin for the periods indicated:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000/%</b>	<b>RMB'000/%</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Total revenue</b>	<b><u>167,733</u></b>	<b><u>190,463</u></b>
<b>Total cost of sales</b>	<b><u>133,433</u></b>	<b><u>157,576</u></b>
<b>Total gross profit</b>	<b><u>34,300</u></b>	<b><u>32,887</u></b>
<b>Total gross profit margin</b>	<b><u>20.5%</u></b>	<b><u>17.3%</u></b>

Our total gross profit increased by RMB1.4 million, or 4.3%, from RMB32.9 million for the six months ended 30 June 2022 to RMB34.3 million for the Reporting Period, primarily because we provided our advertisers with more attractive offers to encourage advertisement orders and boost market share to minimize the impact of global economic downturn and the declining demand of advertisement.

### ***Other Income and Gains***

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

Our other income and gains increased by RMB2.2 million, or 202.0%, from RMB1.1 million for the six months ended 30 June 2022 to RMB3.3 million for the Reporting Period, 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 their job performance; and (iii) other selling and distribution expenses, which primarily consist of award application fees and other expenses that are directly related to our marketing and promotion activities.

Our selling and distribution expenses increased by RMB1.4 million, or 39.8%, from RMB3.5 million for the six months ended 30 June 2022 to RMB4.9 million for the Reporting Period, primarily as a result of the increase in sales and marketing headcounts, as the Company has been aiming to expand customer base and 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 fixed assets comprising mainly computers and equipment; and (vi) other administrative expenses, which primarily consist of travel expenses, office expenses and other miscellaneous expenses.

Our administrative expenses increased by RMB5.8 million, or 29.6%, from RMB19.5 million for the six months ended 30 June 2022 to RMB25.2 million for the Reporting Period, primarily because of (i) the constant recruitment of R&D experts in social network and online gaming during the Reporting Period; and (ii) the continuous investment in R&D, which together led to an increase in office lease expense, staff cost and R&D expense during the Reporting Period.

### ***Other Expenses***

Our other expenses for the Reporting Period primarily consist of bank service charges. Our other expenses decreased significantly by RMB2.7 million, or 97.5%, from RMB2.8 million for the six months ended 30 June 2022 to RMB0.1 million for the Reporting Period, primarily because the Company recorded foreign exchange loss for the six months ended 30 June 2022, which was resulted from the depreciation of Euros held by the Company.

### ***Finance Costs***

Our finance costs consist of interest expenses associated with our lease liabilities under HKFRS 16. Our finance costs increased by RMB37,000, or 336.4%, from RMB11,000 for the six months ended 30 June 2022 to RMB48,000 for the Reporting Period, primarily due to an increase in the amortised cost of lease liabilities.

### ***Profit for the Period***

Our profit for the period decreased by RMB0.9 million, or 14.3%, from RMB6.3 million for the six months ended 30 June 2022 to RMB5.4 million for the Reporting Period primarily due to the factors mentioned above.

## Employees and Remuneration Policies

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

	As at 30 June 2023	
	Number of Employees	% of Total
Optimisers and Designers	56	32.2
Sales and Marketing	25	14.4
Operations	32	18.4
Finance and Administration	24	13.8
IT and R&D	37	21.2
<b>Total</b>	<b>174</b>	<b>100.0</b>

The remuneration of our employees is determined based on their performance, experience, competence and market comparables. We provide our employees with competitive salaries and bonuses determined by performance, housing subsidies, regular team building activities, off sites and internal trainings and opportunities of advancement. The Group's total staff costs (including Directors' emolument, salaries, bonus, social insurance and provident funds) amounted to RMB20.2 million for the Reporting Period (for the six months ended 30 June 2022: RMB17.2 million). As required by PRC laws and regulations, we have made contributions to the various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, maternity leave insurance and occupational injury. In addition, we also provide our employees with housing fund as well as offer them annual body check benefits.

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

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

The Company has also adopted a share award scheme (the “**Share Award Scheme**”) on 29 September 2021 as incentives or rewards to eligible persons for their contributions to the Group. The purpose of the Share Award Scheme are (i) to recognise the contributions by selected participants; (ii) to offer suitable incentives to attract and retain talented selected participants who may be beneficial to the growth and development of the Group; and (iii) to align the interests of the selected participants directly to the Shareholders through ownership of the Shares, dividends and other distributions paid on the Shares and/or the increase in the value of the Shares. The Share Award Scheme shall be valid and effective for a term of ten years commencing on 29 September 2021 (the “**Award Period**”), provided no further awards will be granted after the expiry of the Award Period. During the Reporting Period, no share awards had been granted or agreed to be granted by the Company under the Share Award Scheme.

### ***Contingent Liabilities***

The Group did not have any material contingent liabilities as at 30 June 2023 (as at 31 December 2022: nil).

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

During the Reporting Period, the Group continued to maintain a healthy and solid liquidity position by adopting a prudent financial management approach on its financing and treasury policies and we have funded our cash requirements principally from cash generated from our operating activities. As at 30 June 2023, cash and cash equivalents increased by RMB158.0 million from RMB271.6 million as at 31 December 2022 to RMB429.6 million. The increase was primarily resulted from (i) the increase in proceeds from disposal of financial assets at fair value through profit or loss; and (ii) the increase in proceeds from issue of shares.

As at 30 June 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.

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

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

### ***Capital Commitments***

As at 30 June 2023, the Group had contracted but not provided for capital contributions payable to FVTPL at an amount of RMB8.0 million (as at 31 December 2022: RMB8.0 million).

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

As at 30 June 2023, none of the Group's assets were charged with any parties or financial institutions (as at 31 December 2022: nil).

### ***Top Customers***

Our top five customers accounted for 36.4% and 55.6% of our revenue for the six months ended 30 June 2023 and 2022, respectively, on the basis that the net rebates (rebates we receive from the media publishers minus rebates return to advertisers (if any)) under the CPC/CPM pricing model were to be treated as revenue attributable to the corresponding advertisers. Our largest customer accounted for 12.9% and 16.9% of our revenue for the six months ended 30 June 2023 and 2022, respectively, on the basis that the net rebates (rebates we receive from the media publishers minus rebates return to advertisers (if any)) under the CPC/CPM pricing model were to be treated as revenue attributable to the corresponding advertisers.

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

## ***Top Suppliers***

Our top five suppliers accounted for 63.2% and 71.9% of our total costs of sales for the six months ended 30 June 2023 and 2022 respectively. Our largest supplier accounted for 18.3% and 22.4% of our total costs of sales for the six months ended 30 June 2023 and 2022, respectively.

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

## ***Cash Flow***

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

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net cash flows from operating activities	<b>36,287</b>	15,537
Net cash flows from/(used in) investing activities	<b>106,272</b>	(23,089)
Net cash flows from/(used in) financing activities	<b>10,426</b>	(3,011)
Net increase/(decrease) in cash and cash equivalents	<b>152,985</b>	(10,563)
Cash and cash equivalents at the beginning of the period	<b>271,560</b>	269,576
Cash and cash equivalents at the end of the period	<b>429,600</b>	264,658

## ***Indebtedness***

As at 30 June 2023, we did not apply or obtain any banking facilities and the amount of unutilised banking facilities amounted to nil and we did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

As at 30 June 2023, our total lease liabilities were RMB1.6 million (as at 31 December 2022: RMB1.4 million).

## Certain Financial Ratios

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

	<b>As at 30 June 2023 (Unaudited)</b>	<b>As at 31 December 2022 (Audited)</b>
Return on equity <sup>(1)</sup>	<b>5.0%</b> <sup>(6)</sup>	4.7%
Return on total assets <sup>(2)</sup>	<b>1.6%</b> <sup>(6)</sup>	1.5%
Current ratio <sup>(3)</sup>	<b>1.4</b>	1.4
Gearing ratio <sup>(4)</sup>	<b>—</b>	—
	<b>For the six months ended 30 June</b>	
	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>
Gross profit margin <sup>(5)</sup>	<b>20.5%</b>	17.3%

### Notes:

- (1) Return on equity ratio is profit for the period/year as a percentage of total equity as at period-end/year-end and multiplied by 100%.
- (2) Return on total assets ratio is profit for the period/year as a percentage of total assets as at period-end/year-end and multiplied by 100%.
- (3) Current ratio is total current assets as at period-end/year-end as a percentage of total current liabilities as at period-end/year-end.
- (4) Gearing ratio is total interest-bearing bank borrowings as at period-end/year-end as a percentage of total assets as at period-end/year-end. As at 30 June 2023 and 31 December 2022, we did not have any interest-bearing bank borrowings.
- (5) Gross profit margin is gross profit for the period as a percentage of revenue.
- (6) Calculated on an annualised basis by multiplying the profit for the six months ended 30 June 2023 by two.

## Financial risks

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

## **Foreign currency risk**

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

## **Credit risk**

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

We have established policies to evaluate credit risk when accepting new business and to limit our credit exposure to individual customers. We only trade with recognised and creditworthy third parties and retail customers. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, we monitor receivable balances on an on-going basis and our exposure to bad debts is insignificant. Our Directors consider that we did not have a significant concentration of credit risk as at 30 June 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.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>REVENUE</b>	4	<b>167,733</b>	190,463
Cost of sales		<u>(133,433)</u>	<u>(157,576)</u>
<b>GROSS PROFIT</b>		<b>34,300</b>	32,887
Other income and gains	4	<b>3,325</b>	1,101
Selling and distribution expenses		<b>(4,895)</b>	(3,502)
Administrative expenses		<b>(25,233)</b>	(19,464)
Other expenses		<b>(71)</b>	(2,789)
Finance costs		<b>(48)</b>	(11)
<b>PROFIT BEFORE TAX</b>	5	<b>7,378</b>	8,222
Income tax expense	6	<u><b>(1,955)</b></u>	<u>(1,893)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>5,423</b></u>	<u>6,329</u>
<b>ATTRIBUTABLE TO:</b>			
Owners of the parent		<b>6,113</b>	6,269
Non-controlling interests		<u><b>(690)</b></u>	<u>60</u>
		<u><b>5,423</b></u>	<u>6,329</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	8		
Basic and diluted (RMB)		<u><b>0.01</b></u>	<u>0.01</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>PROFIT FOR THE PERIOD</b>	<b><u>5,423</u></b>	<b><u>6,329</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>300</u>	<u>(308)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>300</u>	<u>(308)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements	<u>4,627</u>	<u>5,846</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>4,627</u>	<u>5,846</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b><u>4,927</u></b>	<b><u>5,538</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>10,350</u></b>	<b><u>11,867</u></b>
ATTRIBUTABLE TO:		
Owners of the parent	11,040	11,807
Non-controlling interests	<u>(690)</u>	<u>60</u>
	<b><u>10,350</u></b>	<b><u>11,867</u></b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

		<b>30 June 2023</b>	31 December 2022
		<b>(Unaudited)</b>	(Audited)
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		507	367
Right-of-use assets		1,771	1,476
Investment in an associate		4,500	4,500
Deferred tax assets		1,270	1,364
Financial assets at fair value through profit or loss		13,025	12,871
Total non-current assets		<u>21,073</u>	<u>20,578</u>
<b>CURRENT ASSETS</b>			
Trade receivables	9	222,635	204,453
Prepayments, other receivables and other assets		7,754	11,911
Financial assets at fair value through profit or loss		6,827	112,310
Cash and cash equivalents		429,600	271,560
Total current assets		<u>666,816</u>	<u>600,234</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	409,486	371,415
Other payables and accruals		51,134	45,026
Tax payable		10,085	9,244
Lease liabilities		1,537	1,148
Total current liabilities		<u>472,242</u>	<u>426,833</u>
<b>NET CURRENT ASSETS</b>		<u>194,574</u>	<u>173,401</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>215,647</u>	<u>193,979</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		99	218
Total non-current liabilities		<u>99</u>	<u>218</u>
<b>Net assets</b>		<u><u>215,548</u></u>	<u><u>193,761</u></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		2,599	2,157
Treasury shares		(3,268)	(3,268)
Reserves		215,727	193,692
		<u>215,058</u>	<u>192,581</u>
<b>Non-controlling interests</b>		<u>490</u>	<u>1,180</u>
<b>Total equity</b>		<u><u>215,548</u></u>	<u><u>193,761</u></u>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and 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 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated 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. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (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. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. 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.

### 3. SEGMENT INFORMATION

#### Operating segment information

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

#### Geographical information

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

	For the six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Mainland China	76,495	70,917
Hong Kong	28,893	17,434
Indonesia	28,110	28,164
Singapore	18,939	60,603
Others	15,296	13,345
Total	<u>167,733</u>	<u>190,463</u>

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

#### Information about major customers

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

	For the six months ended 30 June	
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Customer A	21,719	22,768
Customer B	N/A*	32,130
Customer C	N/A*	29,479

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

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

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

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

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<i>Revenue from contracts with customers</i>		
Specified action revenue (where the Group acts as the principal)	<b>132,677</b>	165,413
— <i>comprehensive user acquisition services under CPA pricing model</i>	<b>130,490</b>	164,929
— <i>service for opening and/or topping-up advertisers' accounts under CPC/CPM pricing model</i>	<b>2,187</b>	484
Agreed rebates under CPC/CPM pricing model (where the Group acts as the agent)	<b>35,056</b>	25,050
	<b><u>167,733</u></b>	<u>190,463</u>
<i>Other income and gains</i>		
Others	<b><u>3,325</u></b>	<u>1,101</u>

Disaggregated revenue information for revenue from contracts with customers:

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<i>Timing of revenue recognition</i>		
Online advertising services transferred at a point in time	<b><u>167,733</u></b>	<u>190,463</u>

## 5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of services rendered (excluding those included in employee benefit expense)	130,498	154,721
Bank interest income	(916)	(74)
Depreciation of items of property, plant and equipment	117	81
Depreciation of right-of-use assets	938	373
Impairment of trade receivables and other receivables	372	909
Lease payments not included in the measurement of lease liabilities	719	298
Auditor's remuneration	700	700
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	18,471	15,119
Pension scheme contributions	1,704	2,118

## 6. INCOME TAX

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

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

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

Pursuant to the PRC Corporate Income Tax Law (“CIT Law”), the CIT rate for domestic enterprises and foreign invested enterprises is 25%.

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax — Mainland China	1,027	1,438
Current income tax — Hong Kong	821	547
Deferred income tax	107	(92)
Total tax charge for the period	<u>1,955</u>	<u>1,893</u>

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

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Profit before tax	<u>7,378</u>	<u>8,222</u>
Tax calculated at a tax rate of 25% (2022: 25%)	<b>1,845</b>	2,056
Effect of different tax rates available to different subsidiaries of the Group	<b>(744)</b>	(237)
Expenses not deductible for tax purposes	<b>111</b>	74
Tax losses not recognised	<u>743</u>	<u>—</u>
	<b><u>1,955</u></b>	<b><u>1,893</u></b>

## 7. DIVIDENDS

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

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 636,529,360 (2022: 619,644,972) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2023 and 2022.

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

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<b><u>6,113</u></b>	<u>6,269</u>
	<b>Number of shares</b>	
	<b>2023</b>	2022
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	<b><u>636,529,360</u></b>	<u>619,644,972</u>

## 9. TRADE RECEIVABLES

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

	<b>30 June</b> <b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	31 December 2022 <i>RMB'000</i> (Audited)
Within 1 month	<b>213,494</b>	154,415
1–3 months	<b>8,392</b>	49,787
3–12 months	<b>749</b>	251
	<b>222,635</b>	204,453

## 10. TRADE PAYABLES

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

	<b>30 June</b> <b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	31 December 2022 <i>RMB'000</i> (Audited)
Within 1 year	<b>409,486</b>	371,415

## 11. 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 is focused on improving our ad formats and ad creatives as well as supporting the development and maintenance of AdTensor. AdTensor is able to optimise and manage advertisements on a real-time basis automatically and intelligently by using AI technology. It allows historical analysis of specific ad performance and user data. It generates reports in real-time or at specified intervals based on advertiser requirements to monitor and optimize ad campaigns, making advertisements delivered through our platform more effective and efficient.

We will step up our efforts in the R&D of big data and AI algorithm system, as well as in expanding the integration of AI computing and machine learning in our services. Applying AI algorithms for processing of video advertisements will optimise our production efficiency and lower our production costs, which enhances our competitive edge in maximizing the effectiveness of our video advertisements.

While focusing on the high-quality development of our advertising business, we also attach great importance to the rapid growth of the global digital entertainment industry, with billions of users worldwide having vast potential for social and entertainment needs. In the second half of 2023, we will actively develop innovative businesses and explore and establish a presence in the global entertainment market. We aim to research, develop, and incubate diverse entertainment products that cater to the varied needs of global users, creating a high-quality and diverse entertainment product matrix. We will conduct localised operations for entertainment applications, constantly enhancing efficiency in customer acquisition, operation, and monetization on an international scale.

Additionally, we will expand the boundaries of our business and explore more innovative fields, such as the Metaverse, and we aim to cover more segments in the advertisement industry. This will further scale up our business and inject new vitality into the company's development.

Given the uncertainties of macroeconomic factors and other uncontrollable elements that may impact our business operations, we closely monitor industry-related trends, including the advertisers' spending distribution, in order to adjust our sales activities. We will maintain and expand our diverse advertiser base, foster stable partnerships with existing advertisers and media publishers, and remain prepared for potential rapid changes in ad demands. Our commitment to global development, seizing opportunities, pursuing high-quality and sustainable growth, will create long-term shareholder returns.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

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

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

### **Compliance with CG Code**

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

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

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

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

## **Model Code for Securities Transactions by Directors**

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

## **Audit Committee**

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

## **Review of Interim Results**

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

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

## **Use of Proceeds**

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

The original proposed allocation of the IPO Proceeds (the “**Planned Use of Proceeds**”), the reallocation of the Unutilised IPO Proceeds and the actual usage of the Unutilised IPO Proceeds up to 30 June 2023 are set out below:

	Approximate % of total IPO Proceeds	Planned Use of Proceeds HK\$' million	Unutilised up to the Revised Allocation HK\$' million	Revised Allocation of the Unutilised IPO Proceeds HK\$' million	Unutilised amount of the IPO Proceeds as at 1 January 2023 HK\$' million	Actual usage of the amount of IPO Proceeds for the six months ended 30 June 2023 HK\$' million	Unutilised amount of the IPO Proceeds as at 30 June 2023 HK\$' million	Expected timeline for utilising the remaining unutilised IPO Proceeds
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 <sup>(Note)</sup>
General working capital		—	—	8.2	—	—	—	—
<b>Total</b>		<u>100.9</u>	<u>55.7</u>	<u>55.7</u>	<u>11.6</u>	<u>7.3</u>	<u>4.3</u>	

*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.

## Placing of New Shares

Reference is 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 intend 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 30 June 2023:

	Approximate % of total net proceeds %	Planned use of actual net proceeds HK\$ million	Actual usage of the net proceeds for the six months ended 30 June 2023 HK\$ million	Unutilised amount of the net proceeds as at 30 June 2023 HK\$ million	Expected timeline for utilising the remaining balance of net proceeds from the Placing
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	By 31 December 2024
<b>Total</b>	<b>100</b>	<b>12.8</b>	<b>—</b>	<b>12.8</b>	

During the Reporting Period, the Group had not used the proceeds from the Placing. It is expected that the Group will follow the proposed use of proceeds as set out in the announcement of the Company dated 25 May 2023.

## **Future Plans for Material Investments or Capital Assets**

Save as disclosed in the Prospectus and this announcement, the Group did not have any future plans for material investments or capital assets as at 30 June 2023.

## **Subsequent Events**

Save as disclosed in this announcement, there was no other significant subsequent event relevant to the business or financial performance of the Group that has come to the attention of the Directors since 30 June 2023 and up to the date of this announcement.

## **Interim Dividend**

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

## **Publication of the 2023 Condensed Consolidated Interim Results and Interim Report**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.adtiger.hk](http://www.adtiger.hk)). The interim report for the Reporting Period containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

## **Appreciation**

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

## DEFINITIONS

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

“AdTensor”	our proprietary ad optimisation and management platform
“AI”	artificial intelligence
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“CG Code”	the 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
“Company”	ADTIGER CORPORATIONS LIMITED, a company incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which are listed and traded on the Main Board of the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	the novel coronavirus 2019
“CPA”	cost per action, a performance-based pricing model where advertising is paid on the basis of each action of the mobile device user such as download, installation or registration. CPI is typically referred to as CPA
“CPC”	cost per click, a non-performance-based pricing model where advertisers are charged on the basis of each click of the ad
“CPI”	cost per install, a performance-based pricing model where advertisers are charged on the basis of each installation of the app

“CPM”	cost per mille, a non-performance-based pricing model where advertisers are charged on the basis of thousand impressions
“Director(s)”	the director(s) of the Company
“Euros”	the lawful currency of the member states of the European Union
“FVTPL”	fair value through profit or loss
“Global Offering”	has the meaning ascribed to it under the Prospectus
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“impression(s)”	the number of ad views, represents the total number of times our ad is viewed by a user or displayed on a web page during a certain period of time
“IT”	information and technology
“Listing Date”	10 July 2020, the date on which the Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“Ms. Chang”	Ms. CHANG Sufang (常素芳), our executive Director, one of our founders and controlling shareholders
“Over-allotment Option”	has the meaning ascribed to it under the Prospectus

“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
“Prospectus”	the prospectus of the Company dated 29 June 2020
“R&D”	the research and development
“Reporting Period”	the six months ended 30 June 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company, currently of nominal value US\$0.0005 each
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TVC”	television commercial
“U.S.” or “US”	the United States of America
“USD” or “U.S. dollar(s)”	U.S. dollars, the lawful currency of the U.S.

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

*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 23 August 2023

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