AdTiger

虎視傳媒有限公司
ADTIGER CORPORATIONS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1163

2020
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. CHANG Sufang
(Chairman and Chief Executive Officer)
Ms. LI Hui

Non-executive Director

Mr. HSIA Timothy Chunhon

Independent Non-executive Directors

Mr. YAO Yaping
Mr. CHAN Foon
Mr. ZHANG Yaoliang

AUDIT COMMITTEE

Mr. CHAN Foon *(Chairman)*
Mr. ZHANG Yaoliang
Mr. HSIA Timothy Chunhon

NOMINATION COMMITTEE

Ms. CHANG Sufang *(Chairman)*
Mr. YAO Yaping
Mr. CHAN Foon

REMUNERATION COMMITTEE

Mr. ZHANG Yaoliang *(Chairman)*
Ms. CHANG Sufang
Mr. YAO Yaping

JOINT COMPANY SECRETARIES

Ms. ZHAO Xiaojuan
Ms. LAM Shi Ping

AUTHORIZED REPRESENTATIVES

Ms. CHANG Sufang
Ms. LAM Shi Ping

REGISTERED OFFICE

4th Floor, Harbour Place
103 South Church Street, George Town
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Room 1004–1005, Tower 5
Laiguangying Chengying Centre
(來廣營誠盈中心)
Chaoyang District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., 148 Electric Road
North Point
Hong Kong

LEGAL ADVISER

Ashurst Hong Kong
11/F Jardine House
1 Connaught Place
Central
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountant
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

COMPLIANCE ADVISER

Halcyon Capital Limited
(鎧盛資本有限公司)
11th Floor
8 Wyndham Street
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street, George Town
P.O. Box 10240
Grand Cayman KY1–1002
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
(寶德隆證券登記有限公司)
2103B, 21/F
148 Electric Road
North Point, Hong Kong

PRINCIPAL BANKS

The HongKong and Shanghai Banking Corporation Limited
Citibank, N.A., Hong Kong branch
China Merchants Bank, Wangjing branch

STOCK CODE

1163

BOARD LOTS

2,500 Shares

PLACE OF LISTING

The Main Board of the Stock Exchange

COMPANY'S WEBSITE

www.adtiger.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

2020 is a year with historical and commemorative significance for the Company as the Shares were successfully listed on the Main Board of the Stock Exchange on 10 July 2020. I would like to present to our Shareholders the annual report of the Group for the year ended 31 December 2020.

The outbreak of COVID-19 pandemic made 2020 a year of challenge and uncertainty. The Group has adopted various prevention and control measures in accordance with the relevant national and local regulations on epidemic prevention and control. At present, the COVID-19 control measures in China have achieved substantial success and managed to effectively quell the spread of the virus across the country. While Mainland China's economy has stabilised in many areas, with the COVID-19 vaccine roll-out underway, we are cautiously optimistic about the direction and scope of the country's full recovery. However, the outbreak of COVID-19 has not been contained in the major overseas markets where our user traffics are generated and the future impact of the outbreak of COVID-19 remains uncertain in these markets. The pricing of ad inventories of our major media publishers increased primarily due to the intensified advertiser competition in real-time bidding for ad inventories as more offline advertisers were trying to advertise online as a result of the prolonged impact of COVID-19 in the second half of 2020. In addition, our operations have been facing unprecedented challenges in 2020 as certain of our major advertisers and media publishers announced stricter account management and advertising spending polices due to the strengthened control for mobile applications associated with Chinese companies in the US and India.

Challenges always co-exist with opportunities. For further development of the digital marketing market in China, the Group establishes its headquarter in Beijing, China. Since the fourth quarter of 2020, the Company has gradually developed cooperative relationships with top-tier Chinese media platforms such as ByteDance, Kuaishou and iFeng.com and covered the Chinese customers from a wide variety of sectors such as internet service providers, education, social networking, gaming and e-commerce.

In addition to the development of cooperative relationships with overseas media publisher, as a global online advertising service provider, the Company adopts the development strategy of "Overseas + Domestic + Software as a service (SaaS)" with an aim to continuously expand its coverage of the Chinese media publishers, strengthen its digital marketing competitiveness in China, achieve the duel growth points in both China and overseas and provide more comprehensive digital marketing solutions to the customers of the Company. The in-depth business distribution in the Chinese market is expected to stimulate long-term performance and revenue growth of the Company.

Last but not least, we would like to express our gratitude to the Shareholders and all parties concerned who have given assistance and support along with the Company's development.

Ms. CHANG Sufang
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 28 April 2021

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2020	2019	Period-to-Period Change
	RMB'000	*RMB'000*	*%*
Revenue	**210,322**	191,126	10.0
Gross profit	**42,663**	53,702	(20.6)
Profit for the year	**2,888**	22,048	(86.9)
Adjusted profit for the year *(Note)*	**15,534**	34,618	(55.1)

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

FOUR-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the Reporting Period and last three financial years, as extracted from the published audited financial statements, is set out below.

RESULTS

	Year ended 31 December			
	2020	2019	2018	2017
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**210,322**	191,126	173,850	116,446
Profit before tax	**2,289**	27,790	30,671	34,397
Income tax credit/(expense)	**599**	(5,742)	(5,934)	(7,550)
Profit for the year	**2,888**	22,048	24,737	26,847
Attributable to:				
Owners of the Company	**2,888**	20,017	21,243	24,786
Non-controlling interests	**—**	2,031	3,494	2,061

ASSETS AND LIABILITIES

	At 31 December			
	2020	2019	2018	2017
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	**396,670**	321,509	237,370	201,925
Total liabilities	**231,181**	263,869	204,352	175,009
Total equity	**165,489**	57,640	33,018	26,916
Equity attributable to:				
Owners of the Company	**165,489**	57,640	32,104	25,770
Non-controlling interests	**—**	—	914	1,146

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. We primarily provide overseas online advertising services to China-based advertisers. We have strategically focused on covering top media publishers, including Facebook, Google, Snapchat, Twitter and Yahoo. In the fourth quarter of 2020, our investment in the market development for domestic media publishers was increased to strengthen our global service capabilities including China. We are a China Export Partner ("**CEP**") of Facebook (Facebook中國區優質合作夥伴), and have been ranked the top amongst Facebook's 23 CEPs in terms of advertising spending for Facebook's ad inventories since 2019. In 2019, the Company became a reseller of TikTok. In 2020, we were awarded as the 2020 China Agency Partner (中國區優質合作夥伴) by Bigo. We have also become Google's partner in the Google AdWords Reseller Programme since 2016. In addition, we have become a Baidu-authorised Snapchat Sales Representative since 2018. In 2020, we were awarded as the Certified Partners in China (中國區官方認證合作夥伴) and Lens Creative Partner (濾鏡創意製作合作夥伴) of Snapchat. In addition, we were awarded the Fastest-Growing Digital Marketing Company of 2020 (2020年度最具成長性數字營銷公司) in the 20th IAI International Advertising Awards.

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

AdTensor forms an integral part of our mobile advertising services, offering optimisers a comprehensive analysis in respect of our key operating indicators. The following table sets forth the selected operation indicators of our online advertising business for the periods indicated:

	For the year ended 31 December	
	2020	2019
Number of impressions (millions)(1)		
— CPA pricing model	**22,408**	18,528
— CPC/CPM pricing model	**47,240**	64,501
— Total	**69,648**	83,029
Click-throughs (millions)(2)		
— CPA pricing model	**325.6**	271.3
— CPC/CPM pricing model	**575.1**	756.2
— Total	**900.7**	1,027.5
Number of installations (millions)(3)	**86.2**	73.9
Installation rate (%)(4)	**26.5**	27.2

Notes:

(1) Impressions are the total number of views of our ads for the periods indicated.

(2) Click-throughs are the total number of clicks on our ads after users view our ads for the periods indicated.

(3) Installations are the total number of installations as a result of our ads applicable only under the CPA pricing model for the periods indicated.

(4) Installation rate represents the ratio of the total number of installations to the total number of click- throughs applicable only under the CPA pricing model for the periods indicated.

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 375 as at 31 December 2020 (as at 31 December 2019: 273).

We have strategically focused on covering top media publishers, including Facebook, Google, Snapchat, Twitter and Yahoo. We help matching available ad inventories of our media publishers to appropriate ad campaigns that maximise their monetisation potential. Our number of media publishers from whom we purchased ad inventories reached 27 for the year ended 31 December 2020 (for the year ended 31 December 2019: 15). We plan to expand our media publisher base to include a combination of top, medium— and long-tail media publishers in the future, especially those medium— and long-tail media publishers that have global presence and have large operations in certain countries or regions.

Driven by the demands 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. We plan to strengthen our R&D capabilities in big data and AI technology as well as to recruit a team of seasoned AI experts to support the functioning of various new and enhanced IT systems and strengthen our AI and technology capabilities.

In the second half of 2020, our business was affected by various factors which were beyond our control, including (i) decrease in advertising traffic in the United States and India caused by the strengthened control for mobile applications associated with Chinese companies in these two major markets of the Group since the second half of 2020; (ii) stricter account management and advertising spending policies of our major media publishers which limited our advertisers advertising spending; (iii) increase in the pricing of ad inventories of our major media publishers primarily due to the intensified advertiser competition in real-time bidding for ad inventories as more offline advertisers were trying to advertise online as a result of the prolonged impact of COVID-19 in the second half of 2020; and (iv) increase in R&D expenses and consultancy fees primarily due to (a) the new demands for the provision of online shipment tracking system and logistics management system raised by our e-commerce advertisers as the transport of their products were significantly affected by the suspension of flights and transportation restrictions as a result of the continued impact of COVID-19; and (b) the increase in our investment in the market development for domestic media publishers to strengthen our global service capabilities including China by taking the trade tensions between China and the United States and other countries into consideration.

Although the outbreak of COVID-19 did not have any material adverse impact on our business and results of operations in the first half of 2020, in adverse impact of the outbreak of COVID-19 on our business and results of operations increased in the second half of 2020. The quotation of ad inventories for the Group's major media publishers such as Facebook and Google was more than doubled in the second half of 2020. The management of the Company believed that the increase in quotation of ad inventory was primarily because more offline advertisers were trying to advertise online as a result of the prolonged impact of COVID-19 in the second half of 2020, which intensified advertisers' competition for limited ad inventories. As a result, the Group would need to incur higher traffic acquisition costs in obtaining the same amount of ad inventories in the second half of 2020. The total traffic acquisition costs of the Group for the year ended 31 December 2020 increased by 23.6% as compared with the year ended 31 December 2019, despite the revenue of the Group for the year ended 31 December 2020 only increased by 10.0% as compared with year ended 31 December 2019. In addition, in the second half of 2020, the Group's e-commerce advertisers raised new demands for the provision of online shipment tracking system and logistics management system as the transport of their products were significantly affected by the suspension of flights and transportation restrictions amid COVID-19. In order to cater the demands of the Group's advertisers, the Group decided to increase its investment in R&D to establish an online shipment tracking and logistics management system as a value-added service to its advertisers. The management of the Company believed that these new capabilities position the Group well in charging a premium in its service fees in the future and enables the Group to attract and retain advertisers. As a result, the Group recorded an R&D expenses of RMB11.6 million for the year ended 31 December 2020, representing an increase of RMB11.6 million in R&D expenses as compared with the year ended 31 December 2019. The increase was mainly attributable to the engagement of external R&D teams to establish an online shipment tracking and logistics management system.

In response to the increased uncertainty of the impact of the outbreak of COVID-19 on our business and results of operations, we (i) prioritised the new demands of our advertisers and allocated more human resources in helping our advertisers minimise the impact of COVID-19 so as to retain our advertisers; (ii) upgraded our online advertising platform in order to achieve better return on investment for our advertisers given the increased price of ad inventories of our major media publishers; and (iii) postponed certain of our plans in utilising the net proceeds received from the Global Offering as described in the section headed "Use of Proceeds" below.

As the outbreak of COVID-19 has not been contained in the major overseas markets where our user traffics are generated, the future impact of the outbreak of COVID-19 remains uncertain. There is no assurance that COVID-19 outbreak will not further escalate or have a material adverse effect on our business and results of operations. Please refer to "Risk Factors — Risk Relating to Our Business and Industry — We face risks related to natural disasters, health epidemics, and other public safety concerns" in the Prospectus for further details. Assuming the extreme and unlikely event that the business operations of our Group are completely suspended on a temporary basis and no additional revenue from sales recorded, based on our net current assets as at 31 December 2020, monthly fixed costs (including staff costs assuming there is no redundant or pay cut to current staff, rent and server costs) and in the absence of any existing and future borrowings, the Directors believe that we will have sufficient working capital for our business and remain financially viable for at least the next 12 months from the date of this annual report. In the event that all the assumptions mentioned above remain unchanged, together with the net proceeds from the Global Offering, we would remain financially viable for over 12 months.

FINANCIAL REVIEW

Year Ended 31 December 2020 Compared to Year Ended 31 December 2019

Revenue

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

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

	For the year ended 31 December			
	2020		2019	
	RMB'000	***%***	*RMB'000*	*%*
Revenue				
CPA pricing model				
— specified action revenue	**174,422**	**82.9**	146,100	76.4
CPC/CPM pricing model				
— specified action revenue	**819**	**0.4**	2,715	1.4
— agreed rebates	**35,081**	**16.7**	42,311	22.2
— Sub-total	**35,900**	**17.1**	45,026	23.6
Total	**210,322**	**100.0**	191,126	100.0

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

	For the year ended 31 December			
	2020		2019	
	RMB'000	***%***	*RMB'000*	*%*
Utility and content app developers	**99,227**	**47.2**	100,908	52.8
E-commerce	**94,081**	**44.7**	61,774	32.3
Tourism	**4,200**	**2.0**	17,321	9.1
Finance	**3,650**	**1.7**	7,662	4.0
Education	**3,326**	**1.6**	329	0.2
Others *Note*	**5,838**	**2.8**	3,132	1.6
Total	**210,322**	**100.0**	191,126	100.0

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

Our total revenue increased by RMB19.2 million, or 10%, from RMB191.1 million for the year ended 31 December 2019 to RMB210.3 million for the year ended 31 December 2020, which primarily reflected an increase of RMB28.3 million in revenue from CPA pricing model mainly attributable to the opportunities leveraged from the "Home economy" as a result of COVID-19 outbreak (such as online education, domestic consumption and healthcare consumption) which provides synergy with our technology and enables us to acquire effective users with less time. The increase in revenue was partially offset by a decrease of RMB9.1 million in revenue from CPC/CPM pricing model mainly attributable to (i) less sales focus to advertisers with the increased risk of bad debts for our advertisers in the finance industry as a result of COVID-19 outbreak; and (ii) the decrease in the revenue generated from advertisers of the tourism industry as tourism industry of many offshore markets in the second half of 2020 was worsen and adversely affected by the outbreak of COVID-19.

Cost of Sales

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

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

	For the year ended 31 December			
	2020		2019	
	RMB'000	**%**	*RMB'000*	%
Cost of Sales				
Traffic acquisition costs [Note]				
Google	**35,106**	**20.9**	45,171	32.8
Facebook	**102,491**	**61.1**	51,007	37.1
Snapchat	**16,070**	**9.6**	6,290	4.5
TikTok	**2,325**	**1.4**	2,570	1.9
Others	**672**	**0.4**	21,697	15.9
Sub total	**156,664**	**93.4**	126,735	92.2
Expenses for external optimisers and designers	**6,250**	**3.7**	6,120	4.5
Salaries and benefits for internal optimisers and designers	**4,742**	**2.8**	4,488	3.2
Server costs	**3**	**0.1**	81	0.1
Total	**167,659**	**100.0**	137,424	100.0

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

Our total cost of sales increased by RMB30.2 million, or 22%, from RMB137.4 million for the year ended 31 December 2019 to RMB167.7 million for the year ended 31 December 2020, which primarily reflected (i) an increase of RMB29.9 million, or 23.6%, in traffic acquisition costs resulting from the increased purchase of ad inventory to accommodate the increased ad offers under CPA pricing model; (ii) an increase of RMB0.3 million, or 5.7%, in salaries and benefits for internal optimisers and designers as a result of the increase in the number of our optimisers and designers for the purpose of developing domestic market and enhancing our services capabilities, which is generally in line with the growth of our business; and (iii) an increase in RMB0.1 million, or 2.1%, in expenses for external optimisers and designers, which was generally consistent with the amount in 2019.

Gross Profit and Gross Profit Margin

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

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

	For the year ended 31 December	
	2020	2019
	RMB'000/%	*RMB'000/%*
CPA pricing model		
Revenue	**174,422**	146,100
Cost of sales	**(165,324)**	(135,041)
Gross profit	**9,098**	11,059
Gross profit margin	**5.2%**	7.6%
CPC/CPM pricing model		
Revenue	**35,900**	45,026
Cost of sales	**(2,335)**	(2,383)
Gross profit	**33,565**	42,643
Gross profit margin	**93.5%**	94.7%
Total revenue	**210,322**	191,126
Total cost of sales	**(167,659)**	(137,424)
Total gross profit	**42,663**	53,702
Total gross profit margin	**20.3%**	28.1%

Our total gross profit decreased by RMB11.0 million, or 20.6%, from RMB53.7 million for the year ended 31 December 2019 to RMB42.7 million for the year ended 31 December 2020, which was primarily due to the increase in percentage of the revenue as a result of the increased quotation of ad inventories of the Group's major media publishers with the intensified advertiser competition in real-time bidding for ad inventories in the second half of 2020, partially offset by the increase in percentage of the traffic acquisition costs. Our gross profit margin under the CPA pricing model and CPC/CPM pricing model decreased from 7.6% and 94.7%, respectively for the year ended 31 December 2019 to 5.2% and 93.5%, respectively for the year ended 31 December 2020, primarily due to (i) a decrease in revenue generated from advertisers in the tourism and finance industries; and (ii) an increase in cost of sales for additional optimisers and designers for the development of domestic market. As a result, our overall gross profit margin decreased from 28.1% for the year ended 31 December 2019 to 20.3% for the year ended 31 December 2020.

Other Income and Gains

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

Our other income and gains increased by approximately RMB2.1 million, or 180.4%, from approximately RMB1.1 million for the year ended 31 December 2019 to approximately RMB3.2 million for the year ended 31 December 2020, primarily due to (i) a decrease of approximately RMB0.2 million in other advertising income as a result of the decrease in service charge due to the decrease in payment through Paypal; and (ii) a decrease of approximately RMB46,000 in bank interest income; partially offset by an increase of RMB2.0 million in foreign exchange gains resulting from the appreciation of the RMB against the USD for the year ended 31 December 2020 as compared to the same period in 2019.

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 decreased by RMB2.1 million, or 42.3%, from approximately RMB4.9 million for the year ended 31 December 2019 to RMB2.8 million for the year ended 31 December 2020, primarily as a result of (i) a decrease of RMB1.7 million, or 50.4%, in bonus payments, which was in line with our decrease in profit for the year in 2020; (ii) a decrease of RMB0.2 million in salaries and benefits paid to our sales and marketing personnel; and (iii) a decrease of RMB0.1 million in other selling and distribution expense due to the cancelation of joint promotion events due to COVID-19. As a percentage of our revenue, our selling and distribution expenses decreased from 2.6% for the year ended 31 December 2019 to 1.3% for the year ended 31 December 2020.

Administrative Expenses

Our administrative expenses primarily consist of: (i) Listing expenses in preparation for the Listing; (ii) employee salaries and benefits, which primarily consist of salaries and benefits for our management, finance and administration team; (iii) depreciation of right-of-use assets in relation to our leased property; (iv) 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; (v) impairment of trade receivables, which primarily consists of the provisions we made for certain past due trade receivables; (vi) lease expenses and utilities for our office; (vii) depreciation and amortisation expenses in relation to our fixed assets comprising mainly computers and equipment; and (viii) other administrative expenses, which primarily consist of travel expenses, office expenses and other miscellaneous expenses.

Our administrative expenses increased by approximately RMB19.1 million, or 88.9%, from RMB21.5 million for the year ended 31 December 2019 to RMB40.6 million for the year ended 31 December 2020, primarily as a result of (i) an increase of RMB8.1 million, or 500.5%, in consultancy fees primarily relating to (a) the consultancy fee of an external team to provide consultancy services to promote the Group's online advertising business through domestic media platforms such as TouTiao, Kuaishou and iFeng.com in China, including ad content optimisation, ad platform planning, ad strategy planning and information stream management and (b) the fees of external auditor, legal advisers, compliance adviser and other consultancy fees for public relations after Listing; and (ii) an increase of RMB11.6 million in R&D expenses, primarily attributable to the engagement of external R&D teams to establish an online shipment tracking and logistics management system in respond to the new demands of our advertisers as a result of the COVID-19 outbreak.

Other Expenses

Our other expenses primarily consist of foreign exchange loss and bank service charges. Our other expenses decreased by RMB496,000, or 81.7%, from RMB607,000 for the year ended 31 December 2019 to RMB111,000 for the year ended 31 December 2020, primarily due to the Company did not record foreign exchange loss in 2020.

Finance Costs

Our finance costs consist of interest expenses associated with our lease liabilities under HKFRS 16 *Leases*. Our finance costs decreased by RMB24,000, or 50%, from RMB48,000 for the year ended 31 December 2019 to RMB24,000 for the year ended 31 December 2020, primarily due to the decrease in amortised cost of lease liabilities.

Income Tax Expenses

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

Our income tax expenses decreased by approximately RMB6.3 million, or 110.4%, from RMB5.7 million for the year ended 31 December 2019 to tax credits of RMB0.6 million for the year ended 31 December 2020. Our income tax expense in Hong Kong decreased from RMB2.4 million for the year ended 31 December 2019 to RMB65,000 for the year ended 31 December 2020, primarily due to the decrease in taxable profit. Our income tax expense in the PRC change from RMB3.6 million for the year ended 31 December 2019 to tax credits of RMB0.7 million for the year ended 31 December 2020, primarily due to (i) the decrease in taxable profit; and (ii) the preferential Corporate Income Tax ("**CIT**") in the PRC and refund of CIT payment made in prior year. According to the MOF/STA PN 2019 No. 68 jointly released by the Ministry of Finance and State Taxation Administration, Beijing AdTiger was entitled to preferential income tax rate of 12.5%.

Profit for the Year

Our profit for the year decreased by RMB19.2 million, or 86.9%, from RMB22.0 million for the year ended 31 December 2019 to RMB2.9 million for the year ended 31 December 2020.

Non-HKFRS Measure

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

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

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Profit for the year	**2,888**	22,048
Add:		
Listing expenses	**12,646**	12,570
Non-HKFRS Measure		
Adjusted profit for the year *(Note)*	**15,534**	34,618

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

Employees and Remuneration Policies

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

	As of 31 December 2020		As of 31 December 2019	
	Number of Employees	% of Total	Number of Employees	% of Total
Optimisers and Designers	34	51.5	23	47.9
Sales and Marketing	11	16.7	11	22.9
Operations	9	13.6	5	10.4
Finance and Administration	10	15.2	7	14.6
IT and R&D	2	3.0	2	4.2
Total	66	100.0	48	100.0

The remuneration of our employees is determined based on their performance, experience, competence and market comparable. We provide our employees with competitive salaries and bonuses determined by performance, housing subsidies, regular team building activities, off sites and internal trainings and opportunities of advancement. The Group's total staff costs (including Directors' emolument, salaries, bonus, social insurance and provident funds) amounted to approximately RMB11.8 million for the year ended 31 December 2020 (year ended 31 December 2019: approximately RMB12.8 million). As required by the PRC laws and regulations, we have made contributions to various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, maternity leave insurance and occupational injury. Furthermore, we also provide our employees with housing fund as well as offer them a body check every year.

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

The Company has adopted a share option scheme on 22 June 2020 as incentives or rewards to eligible persons for their contributions to the Group. Please refer to the section headed "Directors' report — Post-IPO Share Option Scheme" in this report for further information. The purpose of the Post-IPO Share Option Scheme is to incentivise and reward the Eligible Persons (as defined below) 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.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2020 (as at 31 December 2019: 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 financing activities. As of 31 December 2020, cash and cash equivalents increased by RMB109.4 million from RMB171.6 million as of 31 December 2019 to RMB281.0 million. The increase was primarily resulted from the proceeds received from the Global Offering and the Over-allotment Option and our strengthened control over management of credit terms and enhanced collection of trade receivables.

As at 31 December 2020, 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

Save as disclosed in the Prospectus and the section headed "Use of Proceeds" below, there were no significant investments held by the Company nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Capital Commitments

As at 31 December 2020, the Group did not have any capital commitments (as at 31 December 2019: nil).

Charge on the Group's Assets

As at 31 December 2020, none of the Group's assets were charged with any parties or financial institutions (as at 31 December 2019: nil).

Future Plan for Material Investment and Capital Assets

Save as disclosed in the Prospectus and in the section headed "Use of Proceeds" below, there was no other plans for material investments and capital assets as at the date of this annual report.

Top Customers

Our top five customers accounted for 76.8% and 51.9% of our revenue for the years ended 31 December 2020 and 2019, 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 37.4% and 13.1% of our revenue for the years ended 31 December 2020 and 2019, 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 89.8% and 62.1% of our total costs of sales for the years ended 31 December 2020 and 2019, respectively. Our largest supplier accounted for 28.1% and 19.6% of our total costs of sales for the years ended 31 December 2020 and 2019, 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 consolidated statements of cash flows and analysis of balances of cash and cash equivalents for the periods indicated:

	For the year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Net cash flows from operating activities	**5,656**	24,840
Net cash flows used in investing activities	**(93)**	(44)
Net cash flows from/(used in) financing activities	**112,758**	(4,421)
Net increase in cash and cash equivalents	**118,321**	20,375
Cash and cash equivalent at the beginning of the period	**171,639**	151,040
Cash and cash equivalent at the end of the period	**281,029**	171,639

Cash flows generated from operating activities

For the year ended 31 December 2020, our net cash generated from operating activities was RMB5.7 million, consisting of profit before tax of RMB2.3 million, as adjusted by (i) the add-back of non-cash items, comprising financial costs of RMB24,000, interest income of RMB0.3 million, impairment of trade receivables and other receivables of RMB0.2 million, depreciation of right-of-use assets of RMB0.9 million and depreciation of items of property, plant and equipment of RMB0.1 million; (ii) positive net working capital adjustment of RMB11.8 million; (iii) interest received of RMB0.3 million and interest paid of RMB24,000; and (iv) income tax paid of RMB9.7 million. Our positive net working capital adjustment primarily consisted of (i) a decrease of RMB30.2 million in trade receivables primarily resulting from our strengthened control over management of credit terms and enhanced collection of trade receivables; (ii) a decrease of RMB2.3 million in prepayments, deposits and other receivables primarily resulting from the Listing expenses in 2019 were capitalised in 2020; and (iii) an increase of RMB12.2 million in other payables and accruals primarily resulting from increased prepayments by advertisers and unpaid employee compensation; partially offset by (i) a decrease of RMB34.5 million in trade and bills payables primarily resulting from our settlement of traffic acquisition costs payable to media publishers using cash in hand; and (ii) a decrease of RMB1.7 million in amounts due from related parties primarily resulting from the decrease in related parties' advertising budgets as a result of the economic slowdown.

For the year ended 31 December 2019, our net cash generated from operating activities was RMB24.8 million, consisting of profit before tax of RMB27.8 million, as adjusted by (i) the add-back of non-cash items, comprising financial costs of RMB48,000, impairment of trade receivables and other receivables of RMB0.8 million, depreciation of right-of-use assets of RMB0.9 million and depreciation of items of property, plant and equipment of RMB93,000; (ii) negative net working capital adjustment of RMB0.2 million; and (iii) income tax paid of RMB4.7 million. Our negative net working capital adjustment primarily consisted of (i) an increase of RMB59.1 million in trade receivables primarily resulting from the increased advertising spending by our customers, expansion of our advertiser base and extension of credit terms to certain customers; (ii) an increase of RMB4.6 million in prepayments, deposits and other receivables primarily due to the capitalisation of RMB4.2 million listing expenses and prepayment of leases; and (iii) a decrease of RMB4.0 million in other payables and accruals primarily due to decreased prepayments from advertisers resulting from our extension of credit terms to certain advertisers who previously used prepayments and decreased advertising spending by certain customers, partially offset by an increase of RMB67.5 million increase in trade payables primarily resulting from increased purchases of ad inventories associated with our business expansion and better credit terms granted by our media publishers.

Cash flows used in investing activities

For the year ended 31 December 2020, our net cash used in investing activities was RMB93,000, which was primarily related to the recruitment of additional optimisers and designers and the purchase of computers and other assets for the development of the domestic market.

For the year ended 31 December 2019, our net cash used in investing activities was RMB44,000, which was primarily related to purchases of computers and equipment.

Cash flows generated from/(used in) financing activities

For the year ended 31 December 2020, our net cash generated from financing activities was RMB112.8 million, primarily as a result of the capital contribution from our Shareholders upon the Reorganisation for the purpose of the Global Offering.

For the year ended 31 December 2019, our net cash used in financing activities was RMB4.4 million, primarily as a result of a payment of RMB6.0 million in dividends, and a payment of RMB1.0 million in lease liabilities, partially offset by a capital contribution of RMB2.5 million capital contribution from the then equity shareholder of a subsidiary.

Financial position

Our net current assets increased from RMB56.5 million as of 31 December 2019 to RMB164.3 million as of 31 December 2020. Our current assets increased from RMB320.4 million as of 31 December 2019 to RMB395.6 million as of 31 December 2020, primarily due to an increase of RMB109.4 million in cash and cash equivalents primarily due to our strengthened control over management of credit terms and enhanced collection of trade receivables and proceeds received from the Global Offering; partially offset by (i) a decrease of RMB32.0 million in trade receivables as a result of our strengthened control over management of credit terms and enhanced collection of trade receivables; and (ii) a decrease of RMB2.3 million in prepayments, deposits and other receivables primarily due to the Listing expenses incurred in 2019 was capitalised in 2020. Our current liabilities decreased from RMB263.9 million as of 31 December 2019 to RMB231.2 million as of 31 December 2020, primarily due to (i) a decrease of RMB34.5 million in trade payables mainly due to our settlement of traffic acquisition costs payable to media publishers using cash in hand; and (ii) a decrease of RMB10.4 million in tax payable mainly due to the decrease in taxable profit; partially offset by (i) an increase of RMB12.2 million in other payables and accruals mainly due to increased prepayments by advertisers and unpaid employee compensation; and (ii) an increase of RMB0.1 million in lease liabilities mainly due to the additional property we leased for office use.

Significant change in accounting policy

We have adopted the following revised HKFRSs for the first time for the Reporting Period:

Amendments to HKFRS 16	*Covid-19-Related Rent Concessions (early adopted)*

As a result of adopting the Amendments to HKFRS 16, a reduction in the lease payments arising from the rent concessions of approximately RMB16,799 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2020.

Indebtedness

As of 31 December 2020, we did not apply or obtain any banking facilities and the amount of unutilised banking facilities amounted to nil and we did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

As at 31 December 2020, our total lease liabilities were RMB639,000 (as of 31 December 2019: RMB553,000).

Certain Financial Ratio

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

	As of 31 December 2020	As of 31 December 2019
Return on equity (1)	9.4%(7)	60.1%(7)
Return on total assets (2)	3.9%(7)	10.8%(7)
Current ratio (3)	1.7	1.2
Gearing ratio (4)	—	—
Gross profit margin (5)	20.3%	28.1%
Adjusted net profit margin (6)	7.4%(7)	18.1%(7)

Notes:

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

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

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

(4) Gearing ratio is total interest-bearing bank borrowings as of year-end as a percentage of total assets as of year-end. As of 31 December 2020 and 31 December 2019, we did not have any interest-bearing bank borrowings.

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

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

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

Financial Risks

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

Foreign currency risk

We mainly operate in Mainland China with most of our monetary assets, liabilities and transactions principally denominated in RMB and USD. We are exposed to foreign currency risk arising from fluctuations in exchange rates between RMB, USD and other currencies in which we conduct our business. We are subject to foreign currency risk attributable to our trade payables and bank balances denominated in currencies other than RMB and USD. We did not use any derivative financial instruments to hedge our foreign currency risk during the 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 of 31 December 2020. 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.

FUTURE AND OUTLOOK

As disclosed in the Prospectus, the scale of China's overseas online advertising spending has increased from US$3.6 billion in 2015 to US$15.6 billion in 2019 at a CAGR of 44.6% and is estimated to reach US$38.3 billion in 2024 at a CAGR of 19.6%. We plan to continue to enhance our local service capabilities by setting up subsidiaries in key overseas markets to expand our global coverage and increase the scope and depth of our global cooperation with advertisers and media publishers. We plan to explore technologies for new forms of ads such as augmented reality and mini-app marketing, as well as interactive ads. We also seek to further explore new ad inventory categories from other website operators, device integrators and telecommunication operators and connect to them through our AdTensor platform and continue to strengthen our data and technology capabilities in the online advertising industry. In addition to the organic growth of our business, we also plan to pursue strategic investment and merger and acquisition opportunities that will help strengthen our offerings and enhance our business reputation. In addition to continuing to develop our precision marketing capabilities and providing our advertisers with one-stop precision mobile advertising services, we also plan to increase our R&D efforts in the development of advertising and marketing related Software-as-a-Service ("**SaaS**") products based on our AI and big data platform and provide our advertisers with SaaS services with online marketing solutions to comprehensively improve advertisers' ability to acquire customers, and thereby improving the Group's smart advertising service ecosystem.

Considering the uncertainty brought by COVID-19, we will continue to pay close attention to the industry trends and where advertisers are allocating their advertising spending in order to focus our sales activities to maintain profitability of our business. We have maintained and will continue to maintain a diversified advertisers base and stable working relationships with our existing advertisers and media publishers, which could benefit us in adapting to the rapid shift in advertising needs.

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**"), which will be utilised on a pro rata basis for the purposes as set out in our Prospectus.

As of 31 December 2020, IPO proceeds of HK$16.9 million has been utilised. As disclosed in the Prospectus, we planned to use up to HK$36.0 million of the IPO proceeds. As at 31 December 2020, details of intended application of IPO proceeds are set out as follow:

	Approximate% of total IPO proceeds %	Planned use of actual IPO proceeds HK$' million	Planned use of actual IPO proceeds during the Reporting Period HK$' million	Utilised IPO proceeds during the Reporting Period HK$' million	IPO proceeds unused HK$' million	Expected timeline for utilising the remaining balance of IPO proceeds from the Global Offering HK$' million
AI technologies and technology capabilities; offering of our AdTensor platform	35%	35.3	16.9	16.9	18.4	2021: 13.1 2022: 5.3
Local service capabilities and global footprint	20%	20.2	–	–	20.2	2021: 10.4 2022: 9.8
IT infrastructure, management system, ERP system, ORACLE system and performance monitoring system	20%	20.2	13.9	–	20.2	2021: 11.3 2022: 8.9
Sales and marketing and local presence in selected regions in China	15%	15.1	5.2	–	15.1	2021: 7.8 2022: 7.3
Strategic investments and mergers and acquisitions	10%	10.1	–	–	10.1	2021: 5.5 2022: 4.6
Total		100.9	36.0	16.9	84.0	84.0

The temporary delay in utilising the IPO proceeds for enhancing our IT infrastructure, management system, ERP system, ORACLE system and performance monitoring system, with a goal to develop an integrated and transparent system for our global operations was primarily due to we prioritised and allocated more human resources in upgrading our system in respond to the new demands raised by our e-commerce advertisers for the provision of online shipment tracking system and logistics management system as the transport of their products were significantly affected by the suspension of flights and transportation restrictions as a result of the continued impact of COVID-19, which delayed our implementation plan for the ORACLE system.

The temporary delay in utilising the IPO proceeds for strengthening our sales and marketing and local presence in selected regions in China was primarily due to the uncertainty of the impact of the COVID-19 outbreak on our online advertising business increased in the second half of 2020 and we temporary postponed our plans for strengthening our sales and marketing and local presence in selected regions in China. As of the date of the announcement, we have resumed the relevant plans.

As of the date of annual report, the Company does not intend to change the purpose of the IPO proceeds as set out in the Prospectus and will gradually utilise the IPO proceeds in accordance with their intended purpose before the end of 2022. The unutilised net proceeds of the Company have been placed as interest-bearing deposits with licensed banks in Hong Kong.

EXECUTIVE DIRECTORS

Ms. CHANG Sufang (常素芳), aged 34, joined the Group since June 2015 and is one of our founders and Controlling Shareholders. She was appointed as our Director on 1 February 2019 and was re-designated as executive Director on 12 September 2019. Ms. Chang is the chairperson of the Board and chief executive officer of the Group and is primarily responsible for the overall strategic planning, management and operations, and R&D aspect of the Group. She serves as the chairperson of the Nomination Committee and a member of the Remuneration Committee. Ms. Chang has approximately 11 years of working experience in advertising, marketing and technology.

Ms. Chang currently holds directorships in Beijing AdTiger and HongKong AdTiger. She has been serving as a director of HongKong AdTiger and Beijing AdTiger since June 2015 and May 2016, respectively.

Prior to starting up the Group in July 2015, from September 2009 to February 2012, she served as a sales worked in GuoDu Securities Co., Ltd. (國都證券股份有限公司), a company quoted on NEEQ (stock code: 870488). From March 2012 to October 2012, Ms. Chang worked in Lehuohang (Beijing) Technology Limited (樂活行(北京)科技有限公司) and provided marketing and sales services. From November 2012 to September 2015, Ms. Chang worked in Beijing Kingsoft Internet Security Software Co., Ltd. (北京金山安全軟件有限公司) (a wholly-owned subsidiary of Cheetah Mobile Inc., a company listed on the New York Stock Exchange (stock code: CMCM)), where she served as a business development manager in its overseas advertising department, primarily responsible for the business development with various media publishers.

Ms. Chang was a director or supervisor of the following companies which were dissolved by deregistration and she confirmed that the dissolved companies were solvent immediately prior to their dissolution and had no outstanding claims or liabilities. The relevant details are as follows:

Company name	Place of incorporation	Position	Status	Date of dissolution	Reason for deregistration
Slanissue Hong Kong Limited (芝蘭玉樹香港有限公司)	Hong Kong	Director	Dissolved by deregistration	21 June 2019	No business operations
Khorgas AdTiger Information Technology Company Limited (霍爾果斯虎視信息科技有限公司)	the PRC	Supervisor	Dissolved by deregistration	18 April 2019	No business operations
Beijing Hu Shi Hao Yu Culture Media Co., Ltd. (北京虎世浩宇文化傳媒有限公司)	the PRC	Director	Dissolved by deregistration	30 April 2020	No business operations

Ms. Chang obtained her bachelor's degree in international business from Guangdong University of Foreign Studies (廣東外語外貿大學) in the PRC in June 2009.

Ms. Chang and Ms. Li Hui, our executive Directors entered into the Acting-in-Concert Agreements to acknowledge and reflect the mutual understanding and intention, and to confirm their cooperation as parties acting in concert regarding the management of, and to exercise control over, the Group. Please refer to the section headed "History, Development and Reorganisation — Common Control by Acting in Concert" in the Prospectus for further details.

Ms. LI Hui (李慧), aged 34, joined the Group since July 2015 as our consultant. She was appointed as our senior vice president in July 2016 and our Director on 1 February 2019 and was re-designated as executive Director on 12 September 2019. Ms. Li is the senior vice president of the Company and is primarily responsible for overseeing the marketing, new client development and formulation of operation plans of the Group. Ms. Li has over 11 years working experience in the online marketing service sector.

Ms. Li currently holds directorships in Beijing AdTiger and HongKong AdTiger. She has been serving as a director of Beijing AdTiger and HongKong AdTiger since February 2019 and July 2019, respectively.

Prior to joining the Group, from March 2009 to June 2014, she served as a customer service director in Beijing Jishi Interactive Online Marketing Technology Co., Ltd. (北京吉獅互動網絡營銷技術有限公司). From July 2014 to July 2016, she served as a manager in the overseas business division in Beijing Kingsoft Internet Security Software Co., Ltd. (北京金山安全軟件有限公司) (a wholly-owned subsidiary of Cheetah Mobile Inc., a company listed on the New York Stock Exchange (stock code: CMCM)), and was responsible for customer services and optimisation of advertisements.

Ms. Li was previously a supervisor of the following companies which was dissolved by deregistration; and she confirmed that it was solvent immediately prior to its dissolution and had no outstanding claims or liabilities. Details are shown in the table below.

Company Name	Place of establishment	Status	Date of dissolution	Reason for deregistration
Khorgas AdTiger Information Technology Company Limited (霍爾果斯虎視信息科技有限公司)	the PRC	Dissolved by deregistration	18 April 2019	No business operations
Beijing Hu Shi Hao Yu Culture Media Co., Ltd. (北京虎世浩宇文化傳媒有限公司)	the PRC	Dissolved by deregistration	30 April 2020	No business operations

Ms. Li obtained her bachelor's degree in accounting from the Hebei University of Engineering (河北工程大學) in the PRC in June 2013, which is a distance education degree.

NON-EXECUTIVE DIRECTOR

Mr. HSIA Timothy Chunhon, aged 36, joined the Group since July 2019, was appointed as our non-executive Director on 12 September 2019. Mr. Hsia is responsible for providing strategic guidance for the overall development of the Group. He serves as a member of the Audit Committee. As our non-executive Director, Mr. Hsia participates in our Board meetings to make decisions on key matters of the Group. He is not involved in the day-to-day management of the Group. Mr. Hsia has over 14 years working experience in the online marketing service and system development sector.

From 2007 to 2008, Mr. Hsia served as a database administrator in Cellco Partnership (trading as Verizon Wireless). Since June 2008, he has been the chief marketing officer and founder of Tetra Communications LLC and has been responsible for the management of its business. From September 2011 to April 2012, Mr. Hsia served as the director of global marketing in Appitalism Inc.

Mr. Hsia was a director of Chakrify Limited which was dissolved by deregistration by the Registrar of Companies in Hong Kong pursuant to section 751 of the Companies Ordinance. Mr. Hsia confirmed that the dissolved company below was solvent immediately prior to dissolution and had no outstanding claims or liabilities. The relevant details are as follows:-

Company name	Place of incorporation	Status	Date of dissolution	Reason for deregistration
Chakrify Limited	Hong Kong	Dissolved by deregistration	15 July 2016	No business operations

Mr. Hsia obtained his bachelor of science degree in computer science from the Rutgers University in the US in May 2006.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YAO Yaping (姚亞平), aged 39, joined the Group and was appointed as our INED on 22 June 2020, and is responsible for supervising and providing independent advice to our Board. He serves as a member of the Remuneration and Nomination Committees. From February 2006 to April 2009, Mr. Yao served as a senior investment manager in The Hina Group (漢能投資集團). From March 2010 to July 2011, he worked in Baidu Inc., a company listed on NASDAQ (stock code: BIDU) and served as a senior business development manager. From August 2011 to April 2014, he served as a vice president in Keytone Ventures (凱旋創投). From April 2014 to April 2016, Mr. Yao served as an executive director and partner in Highland Capital Partners. Since May 2016, he was part of the senior management team and supervisor in Feidian Asset Management (Tianjin) Limited (沸點資產管理(天津)有限公司).

Mr. Yao obtained his bachelor of engineering degree from the Xi'an Jiaotong University (西安交通大學) in the PRC in July 2004, and his master's degree in business administration from the Tsinghua University (清華大學) in the PRC in July 2010. He was named as one of the Top 100 Best Start-up Investors in 2018 (2018中國最佳創業投資人TOP 100) by Forbes China.

Mr. CHAN Foon (陳歡), aged 48, joined the Group and was appointed as our INED on 22 June 2020, and is responsible for supervising and providing independent advice to our Board. He serves as the chairperson of the Audit Committee and a member of the Nomination Committee. From January 1998 to May 2000, Mr. Chan served as an accountant in the audit department of Deloitte Touche Tohmatsu. From October 2000 to July 2003, he served as a senior associate in the assurance and business advisory services department of PricewaterhouseCoopers. From August 2003 to April 2004, Mr. Chan served as an assistant internal auditor in Shui On Construction and Materials Limited (now known as SOCAM Development Limited), a company listed on the Stock Exchange (stock code: 983). From December 2004 to April 2007, he served as the group financial controller and company secretary in Reyoung Pharmaceutical Holdings Limited whose shares were delisted from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in April 2011. Since May 2007, Mr. Chan has been serving as the financial controller and joint company secretary of Li Heng Chemical Fibre Technologies Limited whose shares were delisted from the SGX-ST in February 2017. He has been an independent non-executive director of China Crystal New Material Holdings Co., Ltd., a company listed on KOSDAQ of the Korea Exchange (stock code: 900250) since July 2012. He was an independent non-executive director of China Supply Chain Holdings Limited (formerly known as Yat Sing Holdings Limited), a company listed on the Stock Exchange (stock code: 3708) from 14 January 2017 to 18 February 2021. Mr. Chan has also been a director in the supervisory board of Highsun Chemical Holdings B.V. and Fibrant B.V. since October 2018.

Mr. Chan obtained his bachelor of science degree in accounting from the University of Southern California in the US in May 1997 and has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since July 2003.

Mr. ZHANG Yaoliang (張耀亮), aged 36, joined the Group and was appointed as our INED on 22 June 2020, and is responsible for supervising and providing independent advice to our Board. He serves as the chairperson of the Remuneration Committee and a member of the Audit Committee. From July 2010 to December 2011, Mr. Zhang served as a consultant in International Business Machines Corporation, a company listed on New York Stock Exchange (stock code: IBM). From December 2011 to June 2012, he served as a senior R&D engineer in Baidu Inc., a company listed on NASDAQ (stock code: BIDU). From June 2012 to February 2014, he served as a senior manager in Renren Inc., a company listed on New York Stock Exchange (stock code: RENN) and was in charge of the mergers and acquisitions. From March 2014, he was the chief executive officer of Beijing Coohua Online Internet Technology Co., Ltd. (北京酷劃在線網絡技術有限公司).

Mr. Zhang obtained his bachelor of engineering degree in mechanical engineering from Tsinghua University (清華大學) in the PRC in July 2007, and his masters of engineering degree in information technology from the Institute of Acoustics, Chinese Academy of Sciences (中國科學院聲學研究所) in the PRC in July 2010.

SENIOR MANAGEMENT

Our executive Directors and senior management are responsible for the day-to-day management and operation of our business.

For information concerning our senior management who also serve as executive Directors, please refer to "Directors and Senior Management — Executive Directors" in the section headed "— Executive Directors" above. The senior management team of the Group, in addition to the executive Directors listed above, is as follows:

Ms. ZHAO Xiaojuan (趙曉娟), aged 30, is our chief financial officer and one of the joint company secretaries of the Group. She joined the Group in January 2016 as a consultant and was appointed as Beijing AdTiger's finance controller and our chief financial officer in December 2018 and June 2019, respectively. She is primarily responsible for overseeing the accounting and financial management of the Group. Ms. Zhao has over nine years working experience in accounting and finance.

Prior to joining the Group, from July 2011 to September 2012, she served as a financial analyst in Shandong Bohi Industry Co., Ltd. (山東渤海實業股份有限公司). From October 2012 to November 2015, Ms. Zhao was an assistant manager in Ruihua Certified Public Accountants (Special General Partnership) (瑞華會計師事務所 (特殊普通合夥)), and was responsible for the planning and supervision of audit projects.

From November 2015 to November 2018, Ms. Zhao served as a financial manager in Huanle Chengzhang (Beijing) Asset Management Company Limited (歡樂成長(北京)資產管理有限公司), and was responsible for the preparation of financial reports and the performance of financial forecasting and analysis. Ms. Zhao obtained her bachelor's degree in accounting from the Shandong University (山東大學) in the PRC in July 2011. Ms. Zhao has been a certified accountant in the PRC since November 2017, and has obtained the practitioner qualification from the Asset Management Association of China in December 2016.

Ms. LI Wenjing (李文靜), aged 31, is our head of advertising. She joined the Group since January 2016 as a consultant; and was appointed as our advertisement optimiser in August 2016 and became our head of advertising since December 2016. She is responsible for the provision of consultancy and optimisation services and the maintenance of relationship with the Group's advertisers.

Prior to joining the Group, from June 2014 to October 2015, Ms. Li served as an English teacher at Global Languages Education Center (環球金語教育機構), and was responsible for teaching and handling enquires and concerns. Ms. Li obtained her bachelor's degree in English from the Hebei Normal University (河北師範大學) in the PRC in June 2014. From November 2015 to June 2016, she served as the head of customer services at Beijing Zhenshi Automotive Technology Co., Ltd. (北京臻勢汽車科技有限公司), and was responsible for handling complaints from major clients and organising staff training.

JOINT COMPANY SECRETARIES

Ms. ZHAO Xiaojuan (趙曉娟) is our joint company secretary, please refer to the section headed "— Senior Management" above.

Ms. LAM Shi Ping (林仕萍) was appointed as one of the joint company secretaries on 20 September 2019.

Ms. Lam is nominated by Boardroom Corporate Services (HK) Limited ("**Boardroom**") pursuant to an engagement letter made between the Company and Boardroom, pursuant to which Boardroom has agreed to provide certain corporate secretarial services to the Company. She has over nine years of experience in company secretarial matters, which is gained from her working experience with various listed companies in Hong Kong. She was admitted as an associate member of The Hong Kong Institute of Chartered Secretaries in April 2015 and an associate member of The Institute of Chartered Secretaries and Administrators in the United Kingdom in April 2015.

Ms. Lam obtained a diploma of commerce from Australian Institute for University Studies in Australia in December 2001. She obtained a bachelor's degree in business administration from Curtin University of Technology in Australia in July 2003. She subsequently obtained a master's degree in corporate governance from The Hong Kong Polytechnic University in Hong Kong in October 2014.

CHANGES TO DIRECTORS' INFORMATION

Mr. Hsia is entitled to a remuneration fee of RMB50,000 per annum and he has waived his entitlement to receive director's fee as an non-executive Director for the year ended 31 December 2020 and has agreed to continue to waive such fee upon his re-election at the forthcoming AGM. Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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 Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Company has adopted the CG Code as its own code of corporate governance since the Listing Date. Save for the deviation from code provision A.2.1 of the CG Code as disclosed in the section headed "The Board — Chairman and Chief Executive" in this report, the Company has complied with all the applicable code provisions of the CG Code from the Listing Date to 31 December 2020. The Group will continue to review and enhance its corporate governance practices to ensure its continued compliance with the CG Code.

MODEL CODE

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 since the Listing Date to 31 December 2020.

THE BOARD

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for the leadership and control of the Group and oversees the Group's businesses, strategic decisions and performance. The Board has delegated the day-to-day responsibility to the executive Directors and senior management who perform their duties.

All Directors, including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The executive Directors oversee the daily operations of the Group, while the INEDs bring independent judgment to the decision-making process of the Board, taking into account the advice of the senior management of the Group.

The Group's senior management is responsible for the day-to-day management of the Group's business, carrying out the business decisions of the Group, overseeing the general operation, business development, finance, marketing, and operations as well as other essential management functions of the Group.

The Directors have full access to information of the Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

Composition

As at the date of this report, the Board is comprised of two (2) executive Directors, one (1) non-executive Director and three (3) INEDs as set out below:

Executive Directors

Ms. Chang Sufang *(Chairman and Chief Executive Officer)*
Ms. Li Hui

Non-Executive Director

Mr. Hsia Timothy Chunhon

INEDs

Mr. Yao Yaping
Mr. Chan Foon
Mr. Zhang Yaoliang

The biographical information of the Directors and relationship between the Directors are set out in the section headed "Profiles of Directors and Senior Management" on pages 24 to 29 of this report. There is no other financial, business, family or other material/relevant relationships among the members of the Board.

Chairman and Chief Executive

Code provision A.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 consider splitting the roles of the Chairman and the CEO at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

INEDs

During the period from the Listing Date to 31 December 2020, the Board has met the requirements of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received a confirmation of independence in writing from each of the INEDs pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent from the Listing Date to 31 December 2020.

Board Meetings

Pursuant to CG Code, at least four regular Board meetings should be held in each year. From the Listing Date to 31 December 2020, two Board meetings were held and no general meeting was held and the attendance record of each Director is set out in the table below:

Name of the Directors	Attendance/eligible to attend Board meetings
Ms. Chang Sufang	2/2
Ms. Li Hui	2/2
Mr. Hsia Timothy Chunhon	2/2
Mr. Yao Yaping	2/2
Mr. Chan Foon	2/2
Mr. Zhang Yaoliang	2/2

Directors' Induction and Continuous Professional Development

Every newly appointed Director has received a comprehensive, formal and tailored induction to ensure that he or she has a proper understanding of the operation and business of the Company and full awareness of Directors' responsibilities and obligation under the Listing Rules and relevant statutory requirements.

The Company will from time to time fund and arrange suitable training to all Directors to develop and refresh their knowledge and skills in relation to their duties and responsibilities, such that their contribution to the Board remains informed and relevant. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the continuous professional development programmes received by each of the Directors from the Listing Date up to 31 December 2020 is summarised as follows:

Name of the Directors	Type of Trainings
Ms. Chang Sufang	A & B
Ms. Li Hui	A & B
Mr. Hsia Timothy Chunhon	A & B
Mr. Yao Yaping	A & B
Mr. Chan Foon	A & B
Mr. Zhang Yaoliang	A & B

A: attending training sessions, including but not limited to, seminars, briefings, conferences, forums and workshops.

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities.

Appointment and Re-Election of Directors

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years and each of the INEDs and non-executive Director has entered into a letter of appointment with the Company for an initial term of three years.

None of the Directors has a service contract or letter of appointment with the Company or any of its subsidiaries other than the contracts/letters of appointment expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director, provided that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting.

All the Directors, including the INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to but not less than one-third) will retire from office by rotation provided that every Director will be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

Remuneration of Directors and Senior Management

The particulars of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Profiles of Directors and Senior Management" in this annual report by band is set out below:

Remuneration band	Number of individuals
Nil to HK$1,000,000	2

Corporate Governance Function

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

b) to review and monitor the training and continuous professional development of the Directors and senior management;

c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;

d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on such matters;

e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and

f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

BOARD COMMITTEES

To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference which are available on the websites of the Stock Exchange and the Company. The Board committees are provided with sufficient resources to discharge their duties.

Audit Committee

The Company has established the Audit Committee with terms of reference in compliance with the Listing Rules and the CG Code. The Audit Committee consists of three INEDs, namely Mr. Chan Foon, Mr. Zhang Yaoliang and Mr. Hsia Timothy Chunhon. The chairman of the Audit Committee is Mr. Chan Foon.

The principal duties of the Audit Committee include but are not limited to:

- ensuring the co-ordination between the external and the internal auditors, and ensuring that the internal audit function is adequately resourced and has appropriate standing with the Company;

- making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of their resignation or dismissal;

- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

- developing and implementing policy on engaging external auditors to supply non-audit services;

- monitoring the integrity of the Company's financial statements and the annual report and accounts, half-year report and quarterly reports (if prepared for publication), and reviewing significant financial reporting judgments contained in them;

- discussing the risk management and internal control system with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function; and

- reviewing the Company's financial and accounting policies and practices.

The Audit Committee members shall meet at least twice a year pursuant to the terms of reference for the Audit Committee.

During the period from the Listing Date to 31 December 2020, the Audit Committee held one meeting to, among others, reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2020 and recommended the same to the Board for its consideration and approval. The Audit Committee was of the opinion that the relevant results were prepared in compliance with the applicable accounting standards and requirements and that adequate disclosures had been made. All members of the Audit Committee attended the meeting.

The attendance record of each committee member at the meeting is set out below:

Name of the Directors	Attendance/Number of the Meeting
Mr. Chan Foon (Chairman)	1/1
Mr. Zhang Yaoliang	1/1
Mr. Hsia Timothy Chunhon	1/1

Remuneration Committee

The Company has established the Remuneration Committee with terms of reference in compliance with the Listing Rules and the CG Code. The Remuneration Committee comprises an executive Director, Ms. Chang Sufang and two INEDs, namely Mr. Zhang Yaoliang and Mr. Yao Yaping. The chairman of the Remuneration Committee is Mr. Zhang Yaoliang.

The principal duties of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- making recommendations to the Board on the remuneration of non-executive Directors; and
- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

Since the Company was listed on the Listing Date, no meeting of the Remuneration Committee was held from the Listing Date to 31 December 2020.

Nomination Committee

The Company has established the Nomination Committee with terms of reference in compliance the Listing Rules and the CG Code. The Nomination Committee comprises an executive Director, Ms. Chang Sufang and two INEDs, namely Mr. Yao Yaping and Mr. Chan Foon. The chairman of the Nomination Committee is Ms. Chang Sufang.

The principal duties of the Nomination Committee include but are not limited to:

- reviewing the structure, size, composition and diversity (including gender, age, cultural and education background, ethnicity, skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the corporate strategy of the Company;
- identifying individuals suitably qualified to become members of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of INEDs;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairperson and the chief executive; and
- reviewing the Board's diversity policy, as appropriate; and reviewing the measurable objectives that the Board has set for implementing the Board's diversity policy, and the progress of achieving the objectives; and making disclosure of its review results in the Corporate Governance Report annually.

Since the Company was listed on the Listing Date, no meeting of the Nomination Committee was held from the Listing Date to 31 December 2020.

Nomination Policy

The nomination policy aims to ensure that the Board has a balance of skills, experience and diversity of perspective appropriate to the Company's business needs and development. It provides formal, clear and transparent procedures, process and criteria for the Nomination Committee to identify and nominate suitable candidate(s) to the Board either to fill a causal vacancy or as an addition to the Board; or make recommendations to the Shareholders for re-election at general meetings.

Selection Criteria

The Nomination Committee shall consider the following factors in assessing the suitability of a proposed candidate:

(a) reputation for integrity;

(b) commitment in respect of sufficient time, interest and attention to the businesses of the Group;

(c) accomplishment, experience and reputation in the business and industry;

(d) board diversity, including but not limited to gender, age, cultural and educational background, ethnicity, skills, knowledge and experience;

(e) the structure, size, composition and needs of the Board and its respective Board committees at the time, taking into account succession planning, where appropriate;

(f) potential/actual conflicts of interest that may arise if the candidate is selected;

(g) the independence of a candidate proposed to be appointed as an INED, as prescribed under Rule 3.13 of the Listing Rules;

(h) in case of a proposed re-appointment of an INED, the number of years he/she has already served the Company in accordance with the Listing Rules; and

(i) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time as appropriate.

Nomination Procedures

Appointment of Directors

1. The Nomination Committee identifies candidate(s) suitably qualified to become Board members, having due regard to the nomination policy and the board diversity policy of the Company, and assesses the independence of the proposed INED(s) as appropriate.

2. The Nomination Committee makes recommendation(s) to the Board.

3. The Board considers the candidate(s) recommended by the Nomination Committee, having due regard to the nomination policy and the board diversity policy of the Company.

4. The Board confirms the appointment of the candidate(s) as Director(s) or recommends the candidate(s) to stand for re-election at a general meeting of the Company. Candidate(s) appointed by the Board will be subject to re-election by the Shareholders at the next following AGM in the case of an addition to the existing Board or the first general meeting of the Company after his/her appointment in the case of filling a casual vacancy in accordance with the Articles of Association.

5. Shareholders approve the election of candidate(s), who stand(s) for re-election at general meeting of the Company, as Director(s).

Re-appointment of retiring Directors

1. The Nomination Committee considers each retiring Director, having due regard to the nomination policy and the board diversity policy of the Company, and assesses the independence of each retiring INED as appropriate.

2. The Nomination Committee makes recommendation(s) to the Board.

3. The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the nomination policy and the board diversity policy of the Company.

4. The Board recommends the retiring Directors to stand for re-election at the AGM in accordance with the Articles and Association.

5. Shareholders approve the re-election of the retiring Directors at the AGM.

Board Diversity Policy

The Board values diversity as a factor in selecting candidates to serve on the Board, and believes diversity at the Board level can strengthen the business development of the Company.

The Board adopted a board diversity policy which relates to the selection of candidates for the Board. Pursuant to the board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to the Company's needs, gender, age, cultural and educational background, ethnicity, integrity, management experience, skills, industry or professional knowledge and experience, length of services, level of time and effort devoted to discharge responsibilities and independence of serving as an INED in accordance with the independence guidelines set out in the Listing Rules. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has been delegated with the responsibilities for the review of the board diversity policy regularly, as appropriately, to ensure its continued effectiveness.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2020.

The statement of the independent auditor about its reporting responsibilities and opinion on the consolidated financial statements is set out in the Independent Auditor's Report on pages 75 to 79 of this annual report.

INDEPENDENT AUDITORS' REMUNERATION

During the year ended 31 December 2020, the remuneration paid/payable to the independent auditor of the Company, Ernst & Young for the provision of audit services and non-audit services are as below:

Services	Fee paid/ payable *RMB'000*
Audit services	2,080
Non-audit services	—
Total	2,080

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Company does not have an internal audit department. The Board currently takes the view that there is no immediate need to set up an internal audit function in light of the size, nature and complexity of the Group's business. The need for an internal audit department will be reviewed from time to time.

The Company's Risk Management and Internal Control Framework

The Company has commissioned an independent professional risk advisor to carry out the internal functions by helping build risk management framework, develop the "Risk Assessment Manual", and conduct risk assessments to determine the nature and extent of the Company's risks. In the risk assessment process, the management have identified the major risks faced by the Company and ranked these risks according to the likelihood and the severity of the impact on the business of the Company, as well as further developed risk management measures to maintain the risks at an acceptable level.

The management would report to the Audit Committee and the Board on all findings and the effectiveness of the risk management and internal control systems. The Audit Committee assists the Board in leading the management to oversee the design, implementation and monitoring of the risk management and internal control systems, and makes recommendations. The Audit Committee also ensures that an overall review of the effectiveness of such systems is conducted at least annually and put forward to the Board for consideration. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives; and acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness.

Review of Risk Management and Internal Control System

The Board and its Audit Committee reviewed the effectiveness of the Company's risk management and internal control systems which include financial, operational and compliance controls during the Year, as well as taking into account the adequacy of resources, staff qualifications and experience and trainings for the staff of the Company's accounting and financial reporting and internal audit functions. Procedures have been set up for, interalia, safeguarding assets against unauthorized use or disposition, controlling capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publications. Management throughout the Company maintains and monitors the risk management and internal control systems on an ongoing basis. The Board reviewed the financial, operational and compliance monitoring systems during the Year and assessed the effectiveness of such systems after considering the work performed by the Audit Committee, the management of the Company, external auditors. Based on the reports submitted by the management, the Board considered that the Company's risk management and internal control system are effective and adequate.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and the Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirements under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors and the chief financial officer of the Company are authorised to communicate with parties outside the Group.

JOINT COMPANY SECRETARIES

Ms. Lam Shi Ping was appointed as a joint company secretary of the Company on 20 September 2019 and is nominated by Boardroom Corporate Services (HK) Limited ("**Boardroom**") pursuant to an engagement letter made between the Company and Boardroom, pursuant to which Boardroom has agreed to provide certain corporate secretarial services to the Company.

Ms. Zhao Xiaojuan was appointed as a joint company secretary of the Company on 12 September 2019

During the year ended 31 December 2020, Ms. Lam Shi Ping and Ms. Zhao Xiaojuan had undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules. The primary person at the Company with whom Ms. Lam has been contacting in respect of company secretarial matters is Ms. Zhao Xiaojuan, a joint company secretary of the Company.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may declare and distribute dividends to the Shareholders.

According to the dividend policy, payment and the amount of any dividends will be at the discretion of the Directors and will depend upon the Group's future operations and earnings, development pipeline, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that the Directors consider relevant.

The declaration and payment as well as the amounts of dividends shall be subject to all applicable laws and regulations, including but not limited to the Companies Law, Cap 22 of the Cayman Islands and the memorandum and articles of association of the Company. No dividend shall be declared or payable except out of the Company's profits and reserves lawfully available for distribution. Dividends declared in the past may not be indicative of the Company's future dividend policy. The Directors have the absolute discretion to recommend any dividend.

As the Company is a holding company, declaration and payment of dividends will depend on the availability of dividends received form the subsidiaries, particularly the subsidiaries incorporated in the PRC. The PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions, including Hong Kong Financial Reporting Standards. The PRC laws also require foreign-invested enterprises, such as all the subsidiaries in the PRC, to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. Distributions from these subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that the Group may enter into in the future.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The Board will review the dividend policy on a regular basis.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting by Shareholders

Pursuant to article 64 of the Articles of Association, any one or more Shareholders holding, as at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or the Cayman Islands Companies Law for the Shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

Shareholders may send enquiries to the Board by post to the Company's principal place of business in Hong Kong at 31/F., 148 Electric Road, North Point, Hong Kong for the attention of the company secretary of the Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance and strategies. The Company endeavours to maintain an on-going dialogue with the Shareholders and in particular, through AGMs and other general meetings. At the AGM, Chairman and chairman of the Board committees (or their delegates as appropriate) are available to meet the Shareholders and answer their enquiries.

The Company maintains a website at www.adtiger.hk as a communication platform with the Shareholders and investors, where the financial information and other relevant information of the Company are available for public access.

Constitutional Documents

The Company has not made any changes to its memorandum of association and Articles of Association on or after the Listing Date. The memorandum of association and Articles of Association is available on the respective websites of the Company and the Stock Exchange.

ABOUT THIS REPORT

Introduction of the Report

The Group is pleased to publish its Environmental, Social and Governance Report for the year of 2020. This report summarizes the Group's strategies, practices and vision regarding the environmental, social and governance issues for the year of 2020.

Reporting Scope And Reporting Period

The environment-related disclosures in this report include the location of the Group's principal operating entity in the PRC, ie the office in Beijing. This report covers the period from 1 January 2020 to 31 December 2020, which is consistent with the financial year covered by this annual report. Unless otherwise stated, the scope of this report covers the office of the Group in Beijing.

Basis for Preparation

The report is prepared in accordance with the disclosure obligations set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules. This report has complied with all mandatory disclosure requirements and the "Comply or Explain" provisions, as well as the principles of materiality, being quantitative, balance and consistency. When preparing this report, the Group adopted emission factors and international standards listed in the Environmental, Social and Governance Guidance issued by the Stock Exchange using the same preparation method as the previous year. For details on applying materiality reporting principle, please refer to the section headed "Materiality Assessment" in this report.

Contact of the Group

The Group values the opinions of the readers of this report. If you have any questions or suggestions about this report, you are welcome to give your feedback to the Group through the following means:

Address: Room 1004–1005, Tower 5 Laiguangying Chengying Centre (來廣營誠盈中心), Chaoyang District, Beijing

Email: lihui@adtiger.hk/febechang@adtiger.hk

Data Sources and Reliability Statement

The information disclosed in this report comes from the Group's internal documents, statistical reports and relevant public materials. The Group confirms that the report does not contain any false statement, misleading representation or material omission and take responsibility for its contents as to the authenticity, accuracy and completeness.

Confirmation and Approval

The management team of the Group has confirmed to the Board that the environmental, social and governance risk management and internal monitoring systems for the year ended 31 December 2020 are effective.

This report is approved at the meeting of the Board held on 31 March 2021 at Beijing. This report is released in both English and Chinese versions. Should there be any discrepancies between the two versions, the Chinese version shall prevail. The electronic version of this report is available on the website of the Stock Exchange (www.hkexnews.hk) and website of the Company (www.adtiger.hk).

MANAGEMENT OF ENVIRONMENT, SOCIAL AND GOVERNANCE

Statement of the Board

As a responsible corporate citizen, the Group adheres to the concept of sustainable development, actively fulfils its corporate social responsibilities and incorporates environmental protection and environmental management into its commercial decisions. Integrating environmental, social and governance and managerial considerations into daily operations has been part of the Group's corporate development strategies at all times. In addition, the Group has been focusing on maintaining closer connections with different stakeholders.

The Group has established governance structure to strengthen the environmental, social and governance management. The Board assumes full responsibility for the environmental, social and governance issues of the Group and fully monitors related risks and opportunities. The Board is responsible for formulating management approach, strategies and goals in relation to the Group's environmental, social and governance, and regularly reviews the goals set by the Group and performance of the goals and review the strategies pursuant to the actual condition. To integrate the concept of sustainability and manage environmental, social and governance issues effectively, the Group has established the Environmental, Social and Governance Working Group to help the Board to monitor and promote the implementation of various environmental, social and governance strategies. The Environmental, Social and Governance Working Group is also responsible for assisting the Board to identify important issues and rank their priorities in order of importance, regularly report to the Board on the effectiveness of the environmental, social and governance system and performance of the Group and prepare the annual environmental, social and governance report.

In the future, the Board will continue to monitor and improve the Group's measures and performance on sustainability and commit to create long-term values for all stakeholders and the communities where the business is located.

Management structure

Board	• The Board is responsible for monitoring environmental, social and governance issues, including formulating related approach and strategies.
Environmental, Social and Governance Working Group	• The Working Group is responsible for assisting the Board to execute various daily management works for environmental, social and governance issues.
Functional departments	• Each functional department is responsible for enforcing various measures for environmental, social and governance issues formulated by the Group.

Identification and communication with stakeholders

In the course of its operations, the Group continues to pay attention to major issues of interest of the stakeholders. The Group understands the expectations and needs of its stakeholders through comprehensive and transparent communication, and continues to improve the Group's sustainable development strategies and plans based on the opinions of its stakeholders, so as to consolidate mutual trust and cooperative relations and jointly achieve its sustainable development plan, create a future with the coexistence of sustainable economic growth, environmental friendliness and social development.

Major Stakeholders and Communication Channels

STAKEHOLDERS	FOCUS	COMMUNICATION CHANNELS
Stock Exchange	• Compliance with the Listing Rules and timely and accurate publication of announcements	• Meeting, training, seminar, programme, website update and announcements
Shareholders and Investors	• Business strategies • Investment return • Corporate image • Compliance operation	• Annual general meetings or extraordinary general meetings • Regular corporate publications (including annual reports) • Company announcements • Company website
Government and Supervisory Institutions	• Compliance operation • Tax payment according to law • Information disclosure and reporting materials	• Company website • Company announcements
Suppliers and business partners	• Compliance operation • Service quality	• Meeting • Regular appraisal • Exchanges and visits • Direct communication
Employees	• Compensation and benefits • Working environment and safety • Diversification and equal opportunities • Training and room for career development	• Daily communication and meetings • Staff training • Regular performance appraisal • Staff satisfaction survey
Advertisers	• Product quality • Personal privacy protection	• Telephone and face-to-face meetings • Advertisers' campaigns • Questionnaires
Community	• Community development • Public welfare • Employment opportunities • Ecological environment	• Company website • Community activities • Media enquiry • Press release and announcements

Materiality Assessment

In order to ensure that this report has fully covered and responded to the major concerns of stakeholders, in addition to regular communication with stakeholders, the Group has also referred to various resources of company internal policies, industry trends and Material Map by Sustainability Accounting Standards Board to identify issues with potential and actual impact to the Group's sustainable development.

The Group has performed materiality assessment according to various factors such as its strategies, development and goals and graded ESG levels identified in relation to its business and stakeholders and their respective impact levels.

Significant ESG issues were considered to have or may have a significant impact on the following:

- current and future environment and/or society;
- the financial and/or operation performance of the Group; and
- evaluation, decision-making and actions of stakeholders.

ENVIRONMENT

Emissions

As an online advertising platform that connects our advertisers with our media publishers, either directly or indirectly through resellers designated by our media publishers, our businesses do not have a material impact on environment. However, our Group absorbs the principle of sustainable development in its daily management in an attempt to improve the environmental awareness of all its employees. The Group strictly abide by environmental laws and regulations, including but not limited to the Environmental Protection Law, Law on the Prevention and Control of Atmospheric Pollution, Law on the Prevention and Control of Solid Waste Pollution to the Environment and Law on Energy Conservation of the PRC.

Exhaust

Since there is no stationary or mobile source that combust fuels owned or controlled by the Group, no air emission is generated during the course of its daily operations. However, the Group has generated greenhouse gases through indirect emissions from the consumption of electricity and discard of waste paper.

Greenhouse Gases

The Group's major emissions of greenhouse gases result principally from the purchased electricity and discarded waste paper. During the year ended 31 December 2020, the types and volumes of these emissions were shown as follows:

Major Types of Emissions	Unit	Amount of Emission in 2020
Scope II		
electricity	tons of CO_2 equivalent	12.86[1]
Scope III		
waste paper	tons of CO_2 equivalent	1.08
Total emissions		
Total emissions	tons of CO_2 equivalent	13.94
Total emissions intensity	tons of CO_2 equivalent/square metre[2]	0.03

The Group is committed to reduce greenhouse gas emissions. Through energy saving policies and green measures, it aims to realise the goal of maintaining or reducing the total emissions intensity of greenhouse gas within the next reporting year based on the 2020 benchmark.

Hazardous Wastes

Owing to the Group's business nature, the Group in its ordinary course of business does not produce material hazardous wastes.

Non-hazardous waste

The solid emissions of the Group mainly come from the paper consumption at the offices of the Group.

Details of the emissions data of the Group during the year ended 31 December 2020 were as follows:

Type of Energy	Unit	Volume for the Year 2020
Non-hazardous waste	Metric Ton	0.23
Non-hazardous waste intensity	Metric Ton per employee[3]	0.003

1 The greenhouse gas emission factors from externally-purchased electricity were calculated with reference to the "2019 PRC's Regional Baseline Emission Factors for Power Grids" (《2019年度中國區域電網基準線排放因子結果》) published by the Ministry of Ecology and Environment of the People's Republic of China.

2 The total office area of the Group was 480.36 square metres.

3 As of 31 December 2020, the total number of the Group's employees was 66.

Measures to Reduce Waste Generation

The Group actively advocates the idea of Green Office, and adheres to the four "Re" principle of environmental protection (reduce, reuse, recycle and replace) in daily operation, aiming to minimize the generation of wastes and make full use of resources.

In terms of paper consumption, the Group promotes a paperless office, including but not limited to the following measures:

– Double-sided printing is set for printers by default; employees are required to use double-sided photocopying and reuse single-sided paper without confidential information for draft photocopying;

– Employees are encouraged to use online communication; and

– Applying office automation system in approval process.

The Group adopted measures as mentioned above, with an aim to maintain or reduce non-hazardous waste intensity in the next reporting year on the basis of year 2020.

Use of Resources

The Group's energy consumption mainly comes from purchased electricity. The water consumption of the Group's Beijing offices is charged as part of their rentals. Accordingly, the Group will not disclose data for the water consumption of their Beijing office. For details of the energy efficiency policy and green practices adopted by the Group, please refer to the following section headed "Energy use efficiency" in this report.

Total Energy Consumption

Type of Energy	Unit	Consumption
Electricity		
Total electricity consumption	kWh	13,652
Total electricity consumption intensity	kWh/m^2	28.42

Energy use Efficiency

In terms of electricity consumption, the Group adopts low-consumption and recyclable energy-saving lights for office lighting to reduce its electricity consumption for lighting products and thus its carbon emissions. The Group has also posted notices on various power switches to encourage employees to switch off equipment and power when they leave the premises or when they are not using it to reduce unnecessary energy use. Office air conditioner is controlled by the central air conditioner system of the property company.

Due to the above measures, the Group has been maintaining a relatively low level of electricity consumptions, and such consumption level does not pose significant environmental and social impacts. However, the Group still aims at maintaining or reducing total electricity consumption in the next reporting year on the basis of year 2020.

Appropriate Water Source

The Group faces no issues in sourcing water that is fit for purpose, and all of its offices have stable water supply to meet daily operational needs.

The Environment and Natural Resources

All of the offices of the Group will not have a particularly material impact on the environment and natural resources in their daily operation. The Group constantly follows the principle of protecting the environment and natural resources in the operation and ensures that it will not cause any significant impact on the environment and overuse natural resources.

Climate Change

To echo with international concerns on climate change, we have included the climate-related risks in ESG topics and made relevant disclosures according to the Recommendations of the Task Force on Climate-related Financial Disclosures.

The potential financial risks brought about by climate change are mainly derived from the two major risk factors, which are physical factor and transitional factor. The Group has identified risks that have potential impacts on its business, in which acute physical risk is extreme weather conditions such as intensified floods leading to asset loss or supply chain interruption, and chronic physical risk is continuous high temperature and extreme hot weather leading to increased electricity consumption, consequently affecting operation cost. The transitional risk represents the market risk that consumers begin to actively integrate the concept of environmental protection into game products. Due to the location of operation and business nature of the Group, the physical risk identified by the Group would have no material impact on its business. The Group strictly monitors the process of providing overseas online advertising services and is committed to providing high-quality services to meet the expectations of consumers and the market. Therefore, the transitional factor identified by the Group would also have no actual or material impact.

Nevertheless, the Group will also review the potential impact of climate change on its business annually and adopt corresponding measures to reduce any potential risks.

Packing materials

In light of the Group's business nature, the Group does not involve any material usage of packaging materials in its ordinary course of business.

SOCIAL

Employment

The Group firmly believes that its employees are the most valuable assets of an enterprise and one of the most important factors for the sustainable development and success of the Group. The Group has established internal policies in accordance with the relevant labour laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination and other benefits and welfare, employment development and training, child and forced labour.

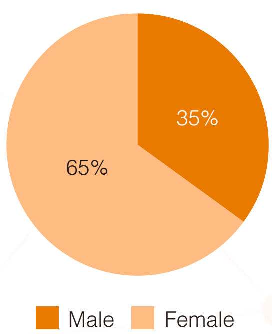
To ensure that the Group's key policies are clearly and consistently communicated to the employees, the Group has established an "Employees' Handbook", which details the rights of the employees, such as working hours, leave entitlements and other benefits and welfare. Each employee is provided with a copy of the "Employees' Handbook" when he/she joins the Group.

Total Number and Classification of Employees

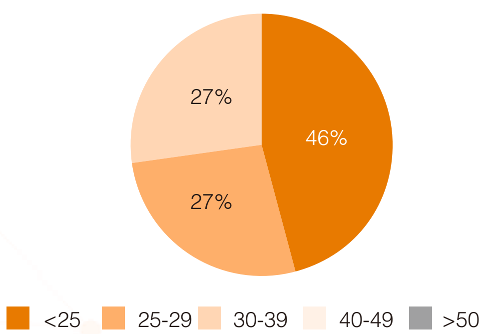
As of 31 December 2020, the Group had a total of 66 employees, details of which are as follows:

Total Number of Employees	
Total Number of Employees	66
Distribution of male and female employees	
Female	43
Male	23
Age distribution	
<25	30
25-29	18
30-39	18
40-49	0
>50	0
Number of employees by different types	
full-time	66
part-time	0
Number of employees by region	
Beijing	66
Hong Kong	0

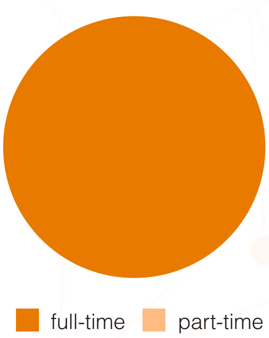
By gender



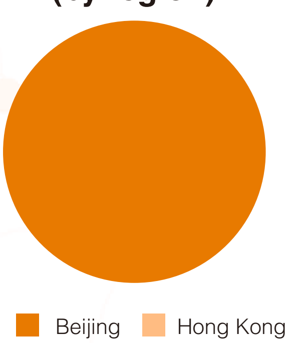
By age



By employment type



Number of Employees (by region)

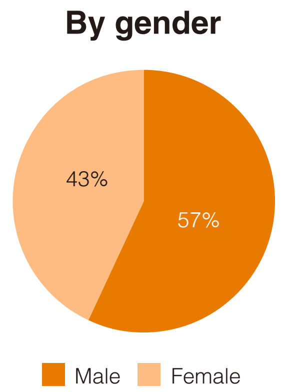


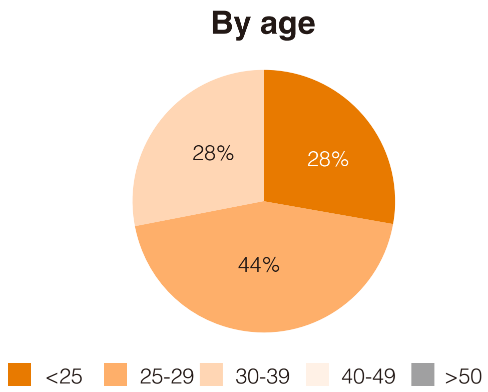
Employee Turnover

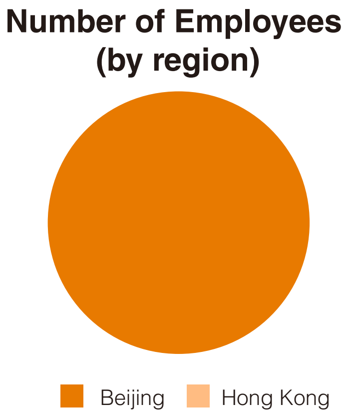
The Group attaches great importance to its relationship with its employees, and dismissal issues are managed strictly comply with applicable laws and regulations. The human resource department will arrange exit interviews with departing employees to understand the reasons for their departure and welcome any suggestions for improvement.

As of 31 December 2020, the detailed informations of employee turnover rate of the Group are as follows:

Total Employee Turnover		
	Number of Employees	% of total number of employees
Total number of turnover	7	11%
	Number of Employees	% of total number of turnover
Female	3	43%
Male	4	57%
By age		
	Number of Employees	% of total number of turnover
<25	2	28.5%
25-29	3	43%
30-39	2	28.5%
40-49	0	0%
>50	0	0%
Number of employees turnover by region		
	Headcount	% of total number of turnover
Beijing	7	100%
Hong Kong	0	0%







HEALTH AND SAFETY

The Group has strictly complied with applicable laws and regulations of the PRC, such as the PRC Labour Law (《中華人民共和國勞動法》), the PRC Labour Contract Law (《中華人民共和國勞動合同法》), Law on the Prevention and Treatment of Occupational Diseases of the PRC (《中華人民共和國職業病防治法》)，Provisions on the Supervision and Administration of Occupational Health at Work Sites and Regulations for the Periodical Inspection (《工作場所職業衛生監督管理規定》) and others. For laws and regulations in the PRC in relation to the occupational health standards and safe production, the Group has not record any material non-compliance during the year ended 31 December 2020. Given that the nature of the Group's business, the employees mainly work in offices and the risk of encountering work-related injuries is low, therefore, the Group did not have any serious work-related injuries (including work-related fatalities) and lost days due to work injury in the past three years with the current reporting period included. The Group has established various health and safety measures in its workplaces, including health check for employees and safety guidelines for staff induction training, to enhance their safety awareness.

In addition, to create and maintain a good, comfortable and healthy working environment, the Group has implemented a series of policies:

- to maintain accessibility of emergency exits in the Group's workplace;
- to provide adequate illumination and moderate temperature in the Group's workplace;
- to ensure no smoking is allowed in the Group's workplace; and
- to ensure safety inspections and fire drills are conducted regularly in the Group's workplace.

In addition to maintaining a safe and comfortable working environment, the Group understands the importance of work-life balance. Therefore, the Group provides monthly tour fee for employees to organize various recreational activities of their choice.

As the COVID-19 outbreak has become a public healthy event, the Group has set up an epidemic prevention and control team and taken the following measures to ensure the health and safety of employees and their families:

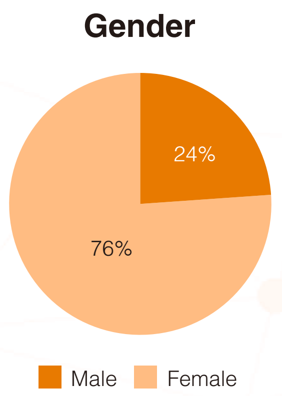
- Arrange for employees to work at home;
- Clean and disinfect the workplace regularly to maintain environmental hygiene;
- Establish health record of employees, take and record the temperature of all employees entering the workplace, and require employees to report their travel history; and
- Provide medical surgical masks, hand sanitizers, hand rubs and other anti-epidemic supplies to employees.

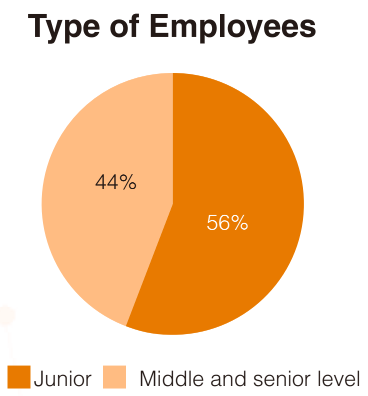
The Group will continue to assess the development of the epidemic and review relevant measures regularly in accordance with government guidelines to make sure the effectiveness of the measures.

Development and Training

The Group values talent training and believes that employees will continue to grow along with the Group's business expansion, and provides targeted, systematic and forward-looking training for employees to ensure that they can quickly meet the needs of relevant positions and explore their potential to support the sustainable development of the Company. At the same time, the Group believes that skills and experience of employee are important factors for the long-term development of the Group. The Group encourages and supports employees to participate in personal and professional training to meet the development needs of the Group. The Group also encourages a culture of sharing knowledge and experience. On the other hand, the Group will also provide on-the-job training for new employees of the Group.

Staff training		
	Staff training	% of total number of employees
Total Number Trained	25	38%
Gender		
	Number of employees	% of total number of employees trained
Female	19	76%
Male	6	24%
Type of employees		
	Number of employees	% of total number of employees trained
Junior staff	14	56%
Middle and senior staff	11	44%
Training hours		
Total hours (hours)	304	
Average training hours completed (by gender)		
Female (hours)	11.79	
Male (hours)	13.33	
Average training hours completed (by type of employees)		
Junior staff (hours)	9.71	
Middle and senior management (hours)	15.27	





Labour Standards

The Group resolutely resists and opposes any form of employment of child labour and forced labour, and strictly complies with the Labour Law of the PRC (《中華人民共和國勞動法》), the Law on the Protection of Minors of the PRC (《未成年人保護法》), the Provisions on the Prohibition of Using Child Labour of the PRC (《禁止使用童工規定》) and other applicable laws and regulations when recruiting employees so as to protect their legitimate rights and interests.

The human resources department of the Group strictly monitors the recruitment process, conducts background checks on its job applicants and verifies their credentials, and will not employ any candidates if they are found not suitable. Any use of false document will be deemed as fraudulent and any related signed labour contract will be deemed invalid.

During the year ended 31 December 2020, the Group did not have any child labour or forced labour, or receive any related complaints.

Supply Chain Management

The Group's suppliers are primarily resellers who provide us ad inventories on top media platforms. The Group's suppliers also include IT service providers who provide us with cloud computing services and external optimisers, designers and translators who provide ad optimisation, design and translation services for our online advertising business. The Group acknowledges that supply chain management is inseparable from its sustainable development, and is therefore committed to establishing long-term and harmonious cooperative relations with its suppliers. The Group expects that its suppliers will adhere to the principles of integrity and pragmatism, and strictly abide by applicable laws and regulations when providing products and services.

In order to strengthen the supervision and management on suppliers, the Group established the Supplier Information Management, which stipulates that suppliers should be selected and approved through preliminary review of standardised supplier information, screening, information database management, and investigation, so as to properly manage the environmental and social risks of the Group's supply chain.

For the year ended 31 December 2020, the Group had a total of 16 major qualified suppliers, of which 12 were located in Hong Kong and 4 were located in other Asian countries.

Product Responsibility

The Group firmly believes that maintaining good service is essential to the sustainable development of the Group and is also the key to the success of the Group. Therefore, the Group continues to strengthen its data and technology capabilities in the online advertising industry. The Group will invest more in both IT infrastructure and the technologies capabilities of AdTensor to better serve advertisers and media publishers. The Group aims to further strengthen its R&D capabilities in big data and AI technology, and to expand the application of AI algorithms and machine learning in its services. The Group will also continue to strengthen its computing capabilities, optimise its system architecture and enhance its IT infrastructure. In addition, the Group plans to develop connections with additional media publishers through SDK integration, which enables the Group to obtain more comprehensive data when media publishers install SDKs.

In addition, the team of optimisers and designers of the Group maintain close communications with the advertisers to understand their demands in order to adapt to the changing market trends and consumers' behaviours. The Group believes the delivery of creative ad content with customised ad formats, coupled with the execution of ad placement strategies through the Group's AdTensor platform, is able to help advertisers achieve better marketing results in an efficient and cost-effective way.

For the year ended 31 December 2020, the Group did not receive any major complaints and claims for compensation from audiences and advertisers due to fraud, unfair or inappropriate content, or poor service quality, or recycling due to security reasons.

Service complaints and response

Advice and feedback from advertisers will help drive the Group's continued development, which is critical to the pursuit of excellence. The Group has established various channels of communication with advertisers (e.g. the website and public email) to better address advertisers' concerns.

The Group makes every effort to promptly investigate and resolve all disputes and complaints raised by advertisers. In addition, the Group has developed a Business Complaint Handling Process to ensure that all complaints from advertisers are properly handled. All complaints received are handled by the sales department. Upon receipt of a complaint, the sales manager will investigate the incident and take appropriate action in a timely manner.

Intellectual property

The Group believes that the its proprietary trademarks, domain names, copyrights, trade secrets and other intellectual properties are essential to the its business operations. The Group protects its intellectual properties through laws relating to patent, copyright, trademark and trade secret, as well as disclosure restrictions such as confidentiality and licensing agreements with the Group's employees, suppliers, partners and other parties. In general, the employees of the Group shall enter into standard employment contracts, which contain a clause that they acknowledge that all inventions, trade secrets, developments and other processes arising from them on behalf of the Group are the properties of the Group, and assign to the Group any proprietorship of such works for which they may claim. Moreover, the Group will not license any of the Group's intellectual properties to third parties that cooperate with the Group.

Data protection and privacy

The Group attaches great importance to the protection of consumer data privacy. The Group has taken measures to comply with the provisions of the General Data Protection Ordinance relating to data protection and privacy, despite the Group did not collect or store raw data or any personal information of users, such as IP addresses or legal names of visitors. The Group has implemented internal data privacy protection technical measures and data privacy management programs to prevent improper use or disclosure of data by employees. After collecting the data, the Group will analyse the data into meaningful user traffic information and store such information in the firewall protected cloud server operated by a reputable third-party cloud computing service provider. The Group also maintains its databases and servers, conducts regular systematic checks, implements password policies and carries out data backups, so as to protect data on the Group's proprietary advertising platform from theft and manipulation.

In addition, the Group has implemented measures regarding to internal data privacy protection technology and data confidentiality management plans to ensure that the data collected by the Group will not be misappropriated or misused, and prevent employees from improper use or disclosure of information. In addition, the Group signs confidentiality agreements with employees to prevent employees from improper use or disclosure of information. If the advertiser and the Group suffered losses due to the leakage of confidential information of the Group, the Group will make punishment by strictly following internal procedures or pursue legal liabilities to protect the interests of the Group and the advertiser. For the year ended 31 December, 2020, the Group did not have any breaches relating to data privacy.

ANTI-CORRUPTION

The Group strictly complies with relevant laws and regulations, such as Anti-Money Laundering Law of the PRC, Anti-Unfair Competition Law of the PRC and Criminal Law, and adheres to the basic behavior code of integrity and self-discipline. The Staff Handbook of the Group clearly stipulates the commercial activities and professional ethics for employees to observe, and prohibits any acts as like bribery, falsification, deception and fraud.

Employee can report any violation to the head of HR department of the Group through the reporting mailbox or hotline set by the Group. The department would be responsible for investigating and collecting evidence and submitting its findings to the Audit Committee. The head of the audit department will determine the corresponding penalties for violations based on the nature, severity and evidence obtained.

For the year ended 31 December, 2020, the Group was not aware of any violations related to corruption, bribery, extortion, fraud or money laundering.

Social Responsibility

The Group acknowledges the importance of giving back to the society and spares no effort in providing support. The Group encourages employees to participate in community services to build a more sustainable and harmonious society.

General Disclosures and key performance indicator as set out in the environmental, social and governance reporting guide of the stock exchange:

Item		Description	Chapter
A. Environment			
A.1: Emissions			
General disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
Key Performance Indicator	A1.1	The types of emissions and respective emissions data.	Exhaust Gas
	A1.2	Total and intensity of greenhouse gas emissions.	Greenhouse Gas
	A1.3	Total and intensity of hazardous waste produced.	N/A
	A1.4	Total and intensity of Non-hazardous waste produced.	Non-Hazardous Waste
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Greenhouse Gas Measures to Reduce Wastes Generated
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Measures to Reduce Wastes Generated
A2: Use of Resources			
General disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
Key Performance Indicator	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Total of Energy Consumption
	A2.2	Water consumption in total and intensity.	Total of energy consumption
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Use Efficiency
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Suitable Water Source Energy Use Efficiency
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Packing Materials
A3: The Environment and Natural Resources			
General disclosure		Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
Key Performance Indicator	A3.1	Description of business' activities' significant impact on the environment and natural resources and actions for managing such impact.	The Environment and Natural Resources

Item		Description	Chapter
A4: Climate Change			
General disclosure		Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
Key Performance Indicator	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and responding actions.	Climate Change
B. Social			
B1: Employment			
General disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment
Key Performance Indicator	B1.1	Total workforce by gender, employment type (full time or part time), age group and geographical region.	Total Number and Classification of Employees
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Turnover
B2: Health and Safety			
General disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe work environment and protecting employees from occupational hazards.	Health and Safety
Key Performance Indicator	B2.1	Number and rate of work-related fatalities in the past three years including the reporting year.	Health and Safety
	B2.2	Lost days due to work injury.	Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
B3: Development and Training			
General disclosure		Policies on improving employees' intelligence and skills for discharging duties at work. Description of training activities.	Development and Training
Key Performance Indicator	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Item		Description	Chapter
B4: Labour Standards			
General disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
Key Performance Indicator	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
B5: Supply Chain Management			
General disclosure		Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
Key Performance Indicator	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along each stage of the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6: Product Responsibility			
General disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
Key Performance Indicator	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
	B6.2	Number of products and service related complaints received and how they are dealt with.	Service complaints and response
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property rights
	B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Protection and Privacy

Item		Description	Chapter
B7: Anti-corruption			
General disclosure		Information on: (a) the policies; and (b) compliance with relevant laws that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
Key Performance Indicator	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staffs.	Anti-corruption
B8: Social Responsibility			
General disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Responsibility
Key Performance Indicator	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Social Responsibility
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Responsibility

DIRECTORS' REPORT

The Board is pleased to present this report of Directors together with the consolidated financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 1 February 2019. The Group is an online advertising platform that connects its advertisers with its media publishers, either directly or indirectly through resellers designated by its media publishers. The Group primarily provides overseas online advertising services to China-based advertisers.

The activities and particulars of the Company's subsidiaries are shown under note 1 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and note 6 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business as required under Schedule 5 to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), including the Group's performance analysis during the year ended 31 December 2020, particulars of important events affecting the Group that have occurred since the end of the year ended 31 December 2020, as well as the possible future business development of the Group, are set out in the sections headed "Chairman's Statement" on page 4, "Management Discussion and Analysis" on pages 7 to 23 and "Directors' Report — Subsequent Events" on page 74 in this annual report.

Possible risks and uncertainties that the Group may be facing are set out in the section headed "— Principal Risks and Uncertainties" below in this report. Discussions on the environmental policies and performance, compliance by the Group with the relevant laws and regulations that have a significant impact on the Group and the account of the key relationships of the Group with its stakeholders are set out in the "Environmental, Social and Governance Report" on pages 43 to 61 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- we rely heavily on our top customers; if we fail to maintain our relationships with our top customers, our financial condition, results of operations and prospects may be materially and adversely affected;

- we rely significantly on a limited number of top media, including Facebook, Google, Snapchat, Twitter and Yahoo for our online advertising services; if we fail to maintain our relationships with these top media publishers, it could materially harm our business;

- if we fail to introduce new or enhanced services to keep up with the technological developments or new business models of the online advertising industry, or the changing requirements of advertiser and media publishers, our business, financial condition and results of operations may be materially and adversely affected;

- if the online advertising industry fails to continue to develop and grow, or if the online advertising market develops or grows more slowly than expected, our profitability and prospects may be materially and adversely affected;

- our business is subject to complex and evolving laws and regulations, in particular with respect to data privacy. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business;

- a severe or prolonged downturn in the domestic or global economy could materially and adversely affect our business and financial condition;

- we face risks related to natural disasters, health epidemics (including the COVID-19), and other public safety concerns;

- we expect to continue to experience intense competition. If we fail to compete effectively against other online advertising companies, we could lose advertisers or media publishers, and our revenue and profits may decline; and

- if we fail to effectively manage and control our traffic acquisition costs, our gross profit, and financial results will be materially and adversely affected.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

RESULTS AND DIVIDEND

The consolidation results of the Group for the year ended 31 December 2020 are set out on pages 80 to 130 of this annual report.

The Board has resolved not to recommend payment of any final dividend for the year ended 31 December 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 8 June 2021 to Friday, 11 June 2021, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Friday, 11 June 2021. In order to be eligible to attend and vote at the AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong before 4:30 p.m. on Monday, 7 June 2021.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property and equipment of the Group during the year ended 31 December 2020 are set out in note 13 to the consolidated financial statements on page 112 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material incompliance with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmental friendly at work by consuming electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. For further details of the Group's environmental policies and performance, please refer to the ESG Report as set out on pages 43 to 61 of this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2020 are set out in note 20 to the consolidated financial statements on pages 117 to 118 of this annual report.

RESERVES

Details of the movement in the reserves of the Group and of the Company during the year ended 31 December 2020 are set out in the Consolidated Statement of Changes in Equity of page 83 and note 31 to the consolidated financial statements on pages 129 to 130 of this annual report, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company's distributable reserves were approximately RMB142,599,000 (as at 31 December 2019: RMB38,865,000).

BORROWINGS

As at 31 December 2020, the Company did not have any bank borrowings.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company did not redeem any of its Shares, nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the year ended 31 December 2020.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

USE OF PROCEEDS

Details of the use of proceeds received from the Global Offering are set out in pages 22 to 23 of this annual report.

BOARD OF DIRECTORS

The Board currently comprises two executive Directors, one non-executive Director and three INEDs as follows:

Executive Directors

Ms. Chang Sufang *(Chairman and Chief Executive Officer)*
Ms. Li Hui

Non-executive Director

Mr. Hsia Timothy Chunhon

INEDs

Mr. Yao Yaping
Mr. Chan Foon
Mr. Zhang Yaoliang

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this report are set out on pages 24 to 29 in the section headed "Profiles of Directors and Senior Management" to this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company, under which they agreed to act as executive Directors for an initial term of three years commencing from the Listing Date or their respective appointment date, which may be terminated by not less than one month's notice in writing served by either of the Director or the Company.

Each of the non-executive Director and the INEDs has signed an appointment letter with the Company for an initial term of three years commencing from the Listing Date or their respective appointment date, which may be terminated by not less than three months' notice in writing served by either of the Director or the Company. Under the respective appointment letters, each of the non-executive Director and INEDs is entitled to a fixed Director's fee.

The appointments of the Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

None of the Directors has entered a service contract with members of the Group that cannot be terminated by the Group within one year without payment of compensation, other than statutory compensation.

CONTRACT WITH CONTROLLING SHAREHOLDERS

Other than disclosed in the section headed "Related Party Transactions and Balances" in note 26 to the consolidated financial statements on pages 122 to 123 of this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended 31 December 2020 or subsisted as at 31 December 2020 and no contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or any of its subsidiaries was entered into during the year ended 31 December 2020 or subsisted as at 31 December 2020.

DIRECTOR'S INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Other than disclosed in the section headed "Related Party Transactions and Balances" in note 26 to the consolidated financial statements on pages 122 to 123 of this annual report, no transaction, arrangement and contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted as at 31 December 2020 or at any time during the year ended 31 December 2020.

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are determined by the Board by reference to their respective responsibilities and duties within the Company and may be adjusted upon the recommendation of the Remuneration Committee.

Details of the Directors' emoluments and emoluments of the five highest paid individual in the Group are set out in note 8 and note 9 to the consolidated financial statements on page 108 of this annual report.

For the year ended 31 December 2020, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. Mr. Hsia is entitled to a remuneration fee of RMB50,000 per annum and he has waived his entitlement to receive director's fee as an non-executive Director for the year ended 31 December 2020 and has agreed to continue to waive such fee upon his re-election at the forthcoming AGM. None of the other Directors has waived any emoluments for the year ended 31 December 2020.

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 December 2020, by our Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the year ended 31 December 2020.

EQUITY-LINKED AGREEMENTS

During the year ended 31 December 2020, other than the Post-IPO Share Option Scheme as set out in the section headed "Post-IPO Share Option Scheme" below, the Company has not entered into any equity-linked agreement.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended 31 December 2020.

LOAN AND GUARANTEE

During the year ended 31 December 2020, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the Controlling Shareholders or their respective connected persons.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As of 31 December 2020, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company, pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Nature of Interest	Number of Shares held[1]	Total	Approximate percentage of the issued Shares
Ms. Chang Sufang[2][3]	Interest in a controlled corporation	229,500,000 (L)	360,000,000	57.83%
	Interest of party acting in concert	130,500,000 (L)		
Ms. Li Hui[2][3]	Interest in a controlled corporation	130,500,000 (L)	360,000,000	57.83%
	Interest of party acting in concert	229,500,000 (L)		
Mr. Hsia Timothy Chunhon[4]	Beneficiary of a trust	90,000,000 (L)	90,000,000	14.46%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) 229,500,000 Shares in the Company is owned by Rowtel, a company beneficially and wholly owned by Fetech, which is in turn beneficially and wholly owned by Ms. Chang, and 130,500,000 Shares in the Company is owned by Westel, a company beneficially and wholly owned by Hera, which is in turn beneficially and wholly owned by Ms. Li. As such, Ms. Chang is deemed to be interested in the Shares held by Rowtel and Ms. Li is deemed to be interested in the Shares held by Westel.

(3) Ms. Chang and Ms. Li executed the Acting-in-Concert Agreements on 11 May 2016, 31 May 2016 and 6 September 2019 to acknowledge and reflect the mutual understanding and intention, and to confirm that such acting in concert arrangement has been put in place and shall continue during the period as long as Ms. Chang and Ms. Li retain equity interest in the Group directly or indirectly. Each of Ms. Chang and Ms. Li is deemed interested in aggregate interests of 360,000,000 Shares in the Company.

(4) 90,000,000 Shares in the Company is owned by Taschh, a company beneficially and 99.99% owned by Tiequan LLC. Tiequan LLC is in turn beneficially and wholly owned by Tiequan Trust, while Southpac Trust International, Inc. acts as the trustee of Tiequan Trust. Mr. Hsia is the sole beneficiary of Tiequan Trust. As such, Mr. Hsia is deemed to be interested in the Shares held by Taschh.

Save as disclosed above, as at 31 December 2020, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 31 December 2020, the following corporation (other than a Director or the chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares which were required to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Number of Shares held[1]	Approximate percentage of the issued Shares
Rowtel[2]	Beneficial owner	229,500,000 (L)	36.87%
Fetech[2]	Interest in a controlled corporation	229,500,000 (L)	36.87%
Westel[3]	Beneficial owner	130,500,000 (L)	20.96%
Hera[3]	Interest in a controlled corporation	130,500,000 (L)	20.96%
Taschh[4]	Beneficial owner	90,000,000 (L)	14.46%
Tiequan LLC[4]	Interest in a controlled corporation	90,000,000 (L)	14.46%
Southpac Trust International, Inc.[4]	Trustee of a trust	90,000,000 (L)	14.46%
HARVESTON ASSET MANAGEMENT PTE. LTD.	Investment manager	43,147,500 (L)	6.93%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Rowtel is beneficially and wholly owned by Fetech, which is in turn beneficially and wholly owned by Ms. Chang. As such, each of Fetech and Ms. Chang is deemed to be interested in the Shares held by Rowtel.

(3) Westel is beneficially and wholly owned by Hera, which is in turn beneficially and wholly owned by Ms. Li. As such, each of Hera and Ms. Li is deemed to be interested in the Shares held by Westel.

(4) Taschh is beneficially and 99.99% owned by Tiequan LLC. Tiequan LLC is in turn beneficially and wholly owned by Tiequan Trust, while Southpac Trust International, Inc. acts as the trustee of Tiequan Trust. Mr. Hsia is the sole beneficiary of Tiequan Trust. As such, each of Tiequan LLC, Tiequan Trust, Southpac Trust International, Inc. and Mr. Hsia is deemed to be interested in the Shares held by Taschh.

Save as disclosed above, as at 31 December 2020, no other corporation which/person (other than a Director or the chief executive of the Company) who had any interests or short positions in the shares or underlying shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

POST-IPO SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was conditionally approved and adopted by the Shareholders on 22 June 2020, and became effective on the Listing Date. The purpose of the Post-IPO Share Option Scheme is to incentivise and reward the Eligible Persons (as defined below) 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 share option was granted under the Post-IPO Share Option Scheme since the Listing Date. Accordingly, there was no outstanding share option as at the date of this report.

(a) Eligible persons

The Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Post-IPO Share Option Scheme) may, at its absolute discretion, offer to grant an option to subscribe for such number of Shares as the Board may determine to an employee (whether full time or part-time) or a director of a member of our Group or associated companies of our Company ("**Eligible Persons**").

(b) Maximum number of Shares in respect of which options may be granted

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme must not in aggregate exceed 10% of the total number of Shares in issue as at the date of this report, being 60,000,000 Shares.

As at the date of this report, the total number of Shares available for issue under the Post-IPO Share Option Scheme is 60,000,000 Shares, representing approximately 9.64% of the issued shares of the Company.

(c) Maximum entitlement of each individual

No options shall be granted to any Eligible Persons under the Post-IPO Share Option Scheme of our Company which, if exercised, would result in such Eligible Persons becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all options granted to him (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of offer of such options, exceeds 1% of the Shares in issue at such date or such higher limit as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange's discretion.

(d) Option Period

Any option which remain unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option or such longer period as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange's discretion.

(e) Minimum Period for which an Option must be held before it can be exercised

Unless the exercise of option would, in the opinion of the Board, be in breach of a statutory or regulatory requirement or unless the Board determines otherwise in its absolute discretion, any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted.

(f) Acceptance of an offer of options

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and notify to the Eligible Persons concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Post-IPO Share Option Scheme. An offer of options not accepted within this period shall lapse. An amount of HK$1.00 is payable upon acceptance of the grant of an option and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

(g) Basis of determining the exercise price

Subject to any adjustment made as a result of alteration of share capital of the Company, the exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of offer of the option;

(ii) (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and

(iii) the nominal value of the Shares.

(h) Remaining life of the Share Option Scheme

The Post-IPO Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after the period of which 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's largest customer accounted for 37.4% of the Group's total revenue (for the year ended 31 December 2019: 13.1%). The Group's top five customers accounted for 76.8% of the Group's total revenue (for the year ended 31 December 2019: 51.9%).

During the Reporting Period, the Group's largest supplier accounted for 28.1% of the Group's total cost of sales (for the year ended 31 December 2019: 19.6%). The Group's top five suppliers accounted for 89.8% of the Group's total cost of sales (for the year ended 31 December 2019: 62.1%).

To the best of our Directors' knowledge, none of the Directors or their respective close associates or any person who owns more than 5% of the Company's issued share capital or of its subsidiaries, had any beneficial interest in any of the Group's five largest customers or the Group's five largest suppliers during the Reporting Period.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Shares.

HUMAN RESOURCES

As at 31 December 2020, the Group had 66 employees, 34 of which were optimisers and designers, 11 were for sales and marketing, 9 were for operations, 10 for finance and administration and 2 were for IT and R&D. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees includes salaries, bonuses, share options, pension right and benefits-in-kind, including the Company's contribution to their retirement benefit schemes on their behalf, and is determined with reference to their responsibilities, qualification, position, experience, performance and time commitment. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. The Group organises induction training for newly joined employees to help them better integrate with the culture and team and understand the Company's values and working environment of the Group. The Group also offers recruitment interview training to team leaders so that they can hire appropriate employees for the Group's business. Further, the Group provides regular advertisement placing training for employees to enhance their work performance and on the job efficiency.

RETIREMENT BENEFITS SCHEME

The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

CONNECTED TRANSACTIONS

During the Reporting Period, save as the continuing connected transactions disclosed in the section headed "Connected Transactions" in the Prospectus, which are exempted from the announcement, disclosure, annual review and reporting, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, the Group has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules.

Save as disclosed under the section headed "Related Party Transactions and Balances" stated in note 26 to the consolidated financial statements, no contract of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the Reporting Period.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2020 are set out in note 26 to the consolidated financial statements contained herein.

The related party transaction for the year ended 31 December 2020 as disclosed in note 26(b) to the consolidated financial statements constituted exempt continuing connected transactions under Chapter 14A of the Listing Rules and accordingly are exempted from the disclosure requirements in Chapter 14A of the Listing Rules.

The related party transactions as disclosed in note 26(c) and 26(d) to the consolidated financial statements are not regarded as connected transactions nor continuing connected transactions under Chapter 14A of the Listing Rules.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this report, the Company has maintained the public float as required under the Listing Rules.

PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty. The relevant provisions in the Articles of Association were in force during the Reporting Period.

The Company has arranged appropriate directors' and officers' liability insurance coverage for its Directors and officers.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 30 to 42 of this annual report.

AUDITOR

There has been no change in auditor in any of the preceding three years as of 31 December 2020. The consolidated financial statements for the year ended 31 December 2020 have been audited by Ernst & Young, Certified Public Accountants, who are proposed for reappointment at the forthcoming AGM.

COMPLIANCE WITH LAWS AND REGULATIONS

For the year ended 31 December 2020, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company.

DONATION

During the year ended 31 December 2020, the Group did not make any charitable donations of not less than HK$10,000.

SUBSEQUENT EVENT

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

Save as disclosed above, as of the date of this report, there was no other significant event subsequent to 31 December 2020.

By order of the Board

Ms. CHANG Sufang
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 31 March 2021

To the shareholders of Adtiger Corporations Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Adtiger Corporations Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 80 to 130, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition	
For the year ended 31 December 2020, the Group recorded revenue of RMB210 millions which mainly comprises income from the provision of online advertising services. There are different types of pricing model, under which, revenue recognition is based upon specific terms of the underlying contracts. Under the specified action pricing model, revenue is recognised on a specified action basis once agreed actions are performed while under the agreed rebates pricing model, the Group earns incentives based on contractually stipulated amounts once certain spending thresholds are achieved. Given the significant amount and volume and the complexity of revenue transactions; and the significant judgements involved to determine whether the Group is acting as a principal or an agent, we considered revenue recognition a key audit matter. Related disclosures are included in notes 3, 4 and 6 to the consolidated financial statements.	The audit procedures performed on revenue included the followings: • understanding the basis of revenue recognition and the overall transaction process and procedures adopted by the management; • inspecting Group's contracts with customers, on a sample basis, to understand the terms of service delivery and acceptance; • comparing cash receipts from customers during and subsequent to the financial year end with invoices issued to customers during the year, on a sample basis; • checking advertisement campaign performance reports from media publishers' platforms, and advertisement campaign performance reconciliation/confirmation emails between the Group and advertisers; • performing direct confirmations with customers for annual sales transactions, on a sample basis; and • performing direct confirmation with vendors for rebates, on a sample basis.

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables	
As at 31 December 2020, the carrying value of the Group's trade receivables amounted to approximately RMB109 millions, after netting off a loss allowance for impairment of approximately RMB2 millions, representing 27% of the Group's total assets. The impairment of trade receivables is assessed based on the expected credit loss ("**ECL**") model which requires significant judgements and estimates from management. In assessing the expected credit loss on trade receivables, management considered various factors such as the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and forward-looking information. Given significant management judgements and estimates are involved in determining the expected credit losses, we considered it a key audit matter. Related disclosures are included in notes 3, 4 and 15 to the consolidated financial statements.	Our audit procedures to assess the impairment of trade receivables included the followings: • assessing the design and implementation of related internal controls which govern credit control, debt collection and estimation of loss allowance; • assessing the trade receivables ageing report by comparing individual items in the report with the relevant sales invoices, on a sample basis; • assessing the assumptions and inputs in the ECL model by considering the ageing of the balances, credit terms, recent settlement patterns, identified default or disputes, the debtors' financial condition, recent communications with the debtors and related publicly available information; and • inspecting cash receipts from customers after the financial year end relating to trade receivable balances as at 31 December 2020, on a sample basis.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lawrence K.W. Lau.

Ernst & Young
Certified Public Accountants
Hong Kong

31 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Notes	2020 (RMB'000)	2019 (RMB'000)
REVENUE	6	210,322	191,126
Cost of sales		(167,659)	(137,424)
Gross profit		42,663	53,702
Other income and gains	6	3,205	1,143
Selling and distribution expenses		(2,824)	(4,893)
Administrative expenses		(40,620)	(21,507)
Other expenses		(111)	(607)
Finance costs		(24)	(48)
PROFIT BEFORE TAX	7	2,289	27,790
Income tax credit/(expense)	10	599	(5,742)
PROFIT FOR THE YEAR		2,888	22,048
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent		2,888	20,017
Non-controlling interests		—	2,031
		2,888	22,048
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic and diluted (RMB)		0.01	0.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 (RMB'000)	2019 (RMB'000)
PROFIT FOR THE YEAR	**2,888**	22,048
OTHER COMPREHENSIVE INCOME		
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
Exchange differences on translation of financial statements	**(8,724)**	74
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(8,724)**	74
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(8,724)**	74
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(5,836)**	22,122
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the parent	**(5,836)**	20,070
Non-controlling interests	**—**	2,052
	(5,836)	22,122

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	2020 (RMB'000)	2019 (RMB'000)
NON-CURRENT ASSETS			
Property, plant and equipment	13	155	167
Right-of-use assets	14	611	541
Deferred tax assets		352	402
Total non-current assets		1,118	1,110
CURRENT ASSETS			
Trade receivables	15	108,700	140,660
Prepayments, deposits and other receivables	16	5,823	8,100
Cash and cash equivalents	17	281,029	171,639
Total current assets		395,552	320,399
CURRENT LIABILITIES			
Trade payables	18	195,871	230,389
Other payables and accruals	19	28,186	15,995
Tax payable		6,485	16,932
Lease liabilities	14	639	553
Total current liabilities		231,181	263,869
NET CURRENT ASSETS		164,371	56,530
TOTAL ASSETS LESS CURRENT LIABILITIES		165,489	57,640
Net assets		165,489	57,640
EQUITY			
Equity attributable to owners of the parent			
Share capital	20	2,157	679
Reserves	21	163,332	56,961
Total equity		165,489	57,640

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the parent									
	Share capital *RMB'000* *(note 20)*	Share premium *RMB'000* *(note 21)*	Merger reserve *RMB'000* *(note 21)*	Capital reserve *RMB'000* *(note 21)*	Exchange fluctuation reserve *RMB'000*	Statutory surplus reserve *RMB'000* *(note 21)*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 1 January 2019	—	—	—	—	646	2,704	28,754	32,104	914	33,018
Profit for the year	—	—	—	—	—	—	20,017	20,017	2,031	22,048
Other comprehensive income for the year	—	—	—	—	53	—	—	53	21	74
Total comprehensive income for the year	—	—	—	—	53	—	20,017	20,070	2,052	22,122
Acquisition of non-controlling interests	86	2,414	—	466	—	—	—	2,966	(2,966)	—
Capital injection	593	36,451	—	—	—	—	—	37,044	—	37,044
Capital contribution from the then equity shareholder of a subsidiary	—	—	2,500	—	—	—	—	2,500	—	2,500
Deemed distribution	—	—	—	—	—	—	(37,044)	(37,044)	—	(37,044)
Appropriations to statutory surplus reserve	—	—	—	—	—	984	(984)	—	—	—
As at 31 December 2019 and 1 January 2020	679	38,865*	2,500*	466*	699*	3,688*	10,743*	57,640	—	57,640

	Attributable to owners of the parent							
	Share capital ***RMB'000*** ***(note 20)***	**Share premium** ***RMB'000*** ***(note 21)***	**Merger reserve** ***RMB'000*** ***(note 21)***	**Capital reserve** ***RMB'000*** ***(note 21)***	**Exchange fluctuation reserve** ***RMB'000***	**Statutory surplus reserve** ***RMB'000*** ***(note 21)***	**Retained profits** ***RMB'000***	**Total equity** ***RMB'000***
As at 1 January 2020	**679**	**38,865**	**2,500**	**466**	**699**	**3,688**	**10,743**	**57,640**
Profit for the year	**—**	**—**	**—**	**—**	**—**	**—**	**2,888**	**2,888**
Other comprehensive income for the year	**—**	**—**	**—**	**—**	**(8,724)**	**—**	**—**	**(8,724)**
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**(8,724)**	**—**	**2,888**	**(5,836)**
Issue of new shares	**604**	**133,347**	**—**	**—**	**—**	**—**	**—**	**133,951**
Capitalisation issue	**874**	**(874)**	**—**	**—**	**—**	**—**	**—**	**—**
Share issue expense	**—**	**(20,266)**	**—**	**—**	**—**	**—**	**—**	**(20,266)**
Appropriations to statutory surplus reserve	**—**	**—**	**—**	**—**	**—**	**44**	**(44)**	**—**
As at 31 December 2020	**2,157**	**151,072***	**2,500***	**466***	**(8,025)***	**3,732***	**13,587***	**165,489**

* These reserve accounts comprise the consolidated reserves of RMB163,332,000 (2019: RMB56,961,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Notes	2020 (RMB'000)	2019 (RMB'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,289	27,790
Adjustments for:			
Finance costs		24	48
Interest income		(254)	—
Impairment of trade receivables and other receivables	7	218	804
Depreciation of items of property, plant and equipment	7&13	105	93
Depreciation of right-of-use assets	7&14	943	915
		3,325	29,650
Decrease/(increase) in trade receivables		30,156	(59,100)
Decrease/(increase) in prepayments, deposits and other receivables		2,275	(4,636)
(Decrease)/increase in trade payables		(34,518)	67,546
Increase/(decrease) in other payables and accruals		12,191	(4,044)
Decrease in amounts due from related parties		1,710	86
Cash generated from operations		15,139	29,502
Interest received		254	—
Interest paid		(24)	—
Income tax paid		(9,713)	(4,662)
Net cash flows from operating activities		5,656	24,840
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(93)	(44)
Net cash flows used in investing activities		(93)	(44)

Year ended 31 December 2020

	Notes	2020 (RMB'000)	2019 (RMB'000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares		133,951	—
Dividends paid		—	(5,971)
Principal portion of lease payments	22	(927)	(950)
Capital contribution from the then equity holders of subsidiaries		—	2,500
Share issue expenses		(20,266)	—
Net cash flows from financing activities		112,758	(4,421)
NET INCREASE IN CASH AND CASH EQUIVALENTS		118,321	20,375
Cash and cash equivalents at beginning of year		171,639	151,040
Effect of foreign exchange rate changes, net		(8,931)	224
CASH AND CASH EQUIVALENTS AT END OF YEAR		281,029	171,639
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of cash flows and statement of financial position		281,029	171,639

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 Landmark Square, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

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

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

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

Information about subsidiaries

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

Name	Place and date of incorporation/ registration and place of business	Nominal value of issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company Direct	Indirect	Principal activities
Adtiger Company Limited	British Virgin Islands 5 March 2019	US$50,000	100%	—	Investment holding
Adtiger Media Limited	British Virgin Islands 21 February 2019	US$50,000	100%	—	Investment holding
HongKong AdTiger Media Co., Limited ("**HongKong AdTiger**")	Hong Kong ("**HK**") 22 November 2010	HK$10,000	—	100%	Advertising services
Adtiger International Limited	Hong Kong ("**HK**") 27 March 2019	HK$10,000	—	100%	Investment holding
Apotheosis Limited	Hong Kong ("**HK**") 5 November 2018	HK$10,000	—	100%	Investment holding
Beijing AdTiger Media Co., Limited* 北京虎示傳媒有限公司 (i)	PRC/Mainland China 11 May 2016	RMB12,500,000	—	100%	Advertising services
CFormula Technology Company Limited ("**CFormula**")	Hong Kong ("**HK**") 9 October 2017	US$1	—	100%	Dormant and no business operations

1. CORPORATE INFORMATION (Continued)

Information about subsidiaries (Continued)

Note:

(i) This entity is a wholly-foreign owned enterprise established under the 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.

2.1 BASIS OF PREPARATION

Through a group reorganisation (the "**Reorganisation**") as set out in the section headed "History, Development and Reorganisation" in the prospectus dated 29 June 2020 for the public listing of the Company's shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 26 June 2019. The companies now comprising the Group were under the common control of the controlling shareholders before and after the Reorganisation, the consolidated financial statements has been prepared on a consolidated basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the year ended 31 December 2019.

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

These financial statements have been prepared under the historical cost convention. 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 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the Conceptual Framework for Financial Reporting 2018 and the following revised HKFRSs for the first time for the current year's financial statements.

Amendment to HKFRS 16	*Covid-19-Related Rent Concessions* (early adopted)

The nature and the impact of the Conceptual Framework for Financial Reporting 2018 and the revised HKFRSs are described below:

(a) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform — Phase 2*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKFRS 17	*Insurance Contracts*[3, 6]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[3, 5]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to HKAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*[2]
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41[2]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 No mandatory effective date yet determined but available for adoption
5 As a consequence of the amendments to HKAS 1, 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 in October 2020 to align the corresponding wording with no change in conclusion
6 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value measurement

The Group measures its financial instruments such as debt instruments and financial liabilities at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Electronic devices	33.33%
Furniture and fixtures	20.00%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases that are considered of low value (i.e., below US$5,000). Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the assets. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Derecognition of financial assets (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — *Financial assets that are credit-impaired at the reporting date (but that are not purchased* or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and lease liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the year, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over the service to a customer.

The following is a description of the principal activities from which the Group generates its revenue.

Provisions of online advertising services

The Group's principal services are the provisions of online advertising services. The Group utilises a combination of pricing models and revenue is recognised when the related services are delivered based on the specific terms of the contract, which are commonly based on:

i) Specified actions (i.e., cost per action and related campaign budgets, depending on the advertisers' preferences and their campaigns launched) where the Group acts as the principal, or

ii) Agreed rebates to be earned where the Group acts as the agent.

Specified actions

Revenue is recognised on a specified action basis once agreed actions are performed. While none of the factors individually are considered presumptive or determinative, because the Group is the primary obligor and is responsible for (1) identifying and contracting with third-party advertisers which the Group views as customers; (2) identifying online publishers to provide online spaces where the Group views the online publishers as suppliers; (3) establishing the selling prices of the specified action pricing model; (4) performing all billing and collection activities, including retaining credit risk; and (5) bearing the sole responsibility for fulfilment of the advertising, the Group acts as the principal of these arrangements and therefore has recognised revenue earned and costs incurred related to these transactions on a gross basis. Rebates from the relevant media publishers are deducted from the corresponding traffic acquisition costs in recording the cost of sales.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Agreed rebates to be earned

The Group earns incentives based on contractually stipulated amounts once certain spending thresholds are achieved. The Group records such incentives as net revenues without accounting for advertisers' actual advertising spending on media publishers' platforms through the Group where the Group acts as the agent. Incentives are calculated on a quarterly basis in accordance with the terms as agreed in arrangements.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract balances

Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Employee benefits

Pension scheme

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

The financial statement is presented in RMB. Each entity in the Group determines its own functional currency and items included in the Financial statement of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Principal versus agent considerations — revenue from provision of online advertising services

Determining whether the Group is acting as a principal or as an agent in the provision of online advertising service requires judgements and considerations of all relevant facts and circumstances. The Group is a principal in a transaction if the Group obtains control of services provided before they are transferred to customers. If control is unclear, when the Group is primarily obligated in a transaction, and has latitude in establishing prices and selecting publishers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from services provided.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Current income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the provision for income taxes. The Group periodically evaluates positions taken in tax returns with respect to situations in which the application of tax regulations is uncertain and subject to interpretation. The Group also establishes provisions where appropriate on the basis of amounts expected to be paid to the taxing authorities.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables (Continued)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the customer industry, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 15 to the financial statements.

5. SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group's revenue and reported results during the year, and the Group's total assets as at the end of the year was 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.

	2020	2019
	RMB'000	*RMB'000*
Singapore	**89,938**	39,691
Mainland China	**59,739**	33,200
Hong Kong	**23,460**	93,888
Others	**37,185**	24,347
	210,322	191,126

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.

5. SEGMENT INFORMATION (Continued)

Information about major customers

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

	2020 *RMB'000*	2019 *RMB'000*
Customer A	78,761	25,057
Customer B	39,333	N/A*
Customer C	32,168	19,988

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

6. REVENUE, OTHER INCOME AND GAINS

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

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

	2020 *RMB'000*	2019 *RMB'000*
Revenue from contracts with customers		
Specified action revenue (where the Group acts as the principal)	175,241	148,815
— comprehensive user acquisition services under CPA pricing model	174,422	146,100
— service for opening and/or topping-up advertisers' accounts under CPC/CPM pricing model	819	2,715
Agreed rebates under CPC/CPM pricing model (where the Group acts as the agent)	35,081	42,311
	210,322	191,126
Other income and gains		
Others	3,205	1,143

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

	2020 *RMB'000*	2019 *RMB'000*
Timing of revenue recognition		
Point in time		
Online advertising services	210,322	191,126

7. PROFIT BEFORE TAX

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

		2020 RMB'000	2019 RMB'000
Cost of services rendered (excluding those included in employee benefit expense)		162,917	132,936
Bank interest income		(254)	(300)
Depreciation of items of property, plant and equipment	13	105	93
Depreciation of right-of-use assets	14	943	915
Impairment of trade receivables and other receivables		218	804
Lease expenses arising from short-term leases*		9	146
Listing expenses		12,646	12,570
Auditor's remuneration		2,080	194
Employee benefit expense (including directors' remuneration (note 8)):			
Salaries, allowances and benefits in kind		11,073	11,225
Pension scheme contributions		775	1,527

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

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2020 RMB'000	2019 RMB'000
Fees	—	—
Other emoluments		
Salaries, allowances and benefits in kind	1,520	3,769
Pension scheme contributions	7	233
Total directors' remuneration	1,527	4,002

(a) Non-executive director

Mr. Hsia Timothy Chunhon was appointed as the non-executive director of the Company on 12 September 2019. There were no fees and other emoluments payable to the non-executive director during the Relevant Periods.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2020 **RMB'000**	2019 RMB'000
Mr. Yao Yaping	**89**	—
Mr. Chan Foon	**89**	—
Mr. Zhang Yaoliang	**89**	—
Total directors' remuneration	**267**	—

(c) Executive directors

	Year ended 31 December 2020			
	Fees **RMB'000**	**Salaries, allowances and benefits in kind** **RMB'000**	**Pension scheme contributions** **RMB'000**	**Total** **RMB'000**
Executive directors:				
Ms. Chang Sufang	**—**	**776**	**3**	**779**
Ms. Li Hui	**—**	**744**	**4**	**748**
	—	**1,520**	**7**	**1,527**

	Year ended 31 December 2019			
	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive directors:				
Ms. Chang Sufang	—	2,349	109	2,458
Ms. Li Hui	—	1,420	124	1,544
	—	3,769	233	4,002

There was no arrangement under which an executive Director waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2019: two directors), details of whose remuneration are set out in note 8 above. Details of the remaining three highest paid employees for the year are as follows:

	2020 *RMB'000*	2019 *RMB'000*
Salaries, allowances and benefits in kind	**1,316**	1,225
Pension scheme contributions	**3**	230
	1,319	1,455

The number of the non-director highest paid employees whose remuneration fell within the following band is as follows:

	2020	2019
Nil to HK$1,000,000	**3**	3

During the year, no remuneration was paid by the Group to the directors or any of the five highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office.

10. INCOME TAX

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

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

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

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

10. INCOME TAX (Continued)

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

	2020 RMB'000	2019 RMB'000
Current income tax — Hong Kong		
Charge for the year	65	2,402
Current income tax — Mainland China		
Charge for the year	1,210	3,553
Refund of CIT payment made in prior year	(1,903)	—
Deferred income tax	29	(213)
Total tax charge for the year	(599)	5,742

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:

	2020 RMB'000	2019 RMB'000
Profit before tax	2,289	27,790
Tax calculated at a tax rate of 25%	572	6,948
Refund of CIT payment made in prior year*	(1,903)	—
Effect of different tax rates available to different subsidiaries of the Group	(565)	(1,396)
Expenses not deductible for tax purposes	1,297	190
	(599)	5,742

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

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividend declared to foreign investors from 1 January 2008 and applies to earnings generated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by the subsidiary established in Mainland China in respect of earnings generated from 1 January 2008. The applicable tax rate of the Group is 10%. At the end of the year, deferred tax has not been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiary established in Mainland China. In the opinion of the directors, it is not probable that the subsidiary will distribute such retained earnings in the foreseeable future as the Group will retain the funding for the development in Mainland China. The aggregate amount of temporary differences associated with investments in subsidiary in Mainland China for which deferred tax liabilities have not been recognised at 31 December 2020 amounted to RMB37,458,000 (2019:RMB35,704,000), respectively. There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

11. DIVIDENDS

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

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 531,226,027 (2019:450,000,000) in issue during the year, as adjusted for the assumption that share subdivision and 250,000,000 shares issued pursuant to the capitalisation issue had been issued at the beginning of the year ended 31 December 2019.

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

	2020 **(RMB'000)**	2019 (RMB'000)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**2,888**	20,017
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	**531,226,027**	450,000,000

13. PROPERTY, PLANT AND EQUIPMENT

31 December 2020

	Furniture and fixtures RMB'000	Electronic devices RMB'000	Total RMB'000
At 31 December 2019 and at 1 January 2020:			
Cost	19	287	306
Accumulated depreciation	(6)	(133)	(139)
Net carrying amount	13	154	167
At 1 January 2020, net of accumulated depreciation	13	154	167
Additions	—	93	93
Depreciation provided during the year	(4)	(101)	(105)
At 31 December 2020	9	146	155
At 31 December 2020:			
Cost	19	380	399
Accumulated depreciation	(10)	(234)	(244)
Net carrying amount	9	146	155

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

31 December 2019

	Furniture and fixtures *RMB'000*	Electronic devices *RMB'000*	Total *RMB'000*
At 31 December 2018 and at 1 January 2019:			
Cost	19	243	262
Accumulated depreciation	(2)	(44)	(46)
Net carrying amount	17	199	216
At 1 January 2019, net of accumulated depreciation	17	199	216
Additions	—	44	44
Depreciation provided during the year	(4)	(89)	(93)
At 31 December 2019	13	154	167
At 31 December 2019:			
Cost	19	287	306
Accumulated depreciation	(6)	(133)	(139)
Net carrying amount	13	154	167

14. LEASES

The Group leased certain of its building for its office. The lease term is one year.

The carrying amounts and movements in right-of-use assets and lease liabilities during the year are as follows:

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	2020 ***(RMB'000)***	2019 *(RMB'000)*
Carrying amount at 1 January	**541**	—
Additions	**1,013**	1,456
Depreciation charge	**(943)**	(915)
Carrying amount at 31 December	**611**	541

14. LEASES (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

Lease liabilities

	2020 (RMB'000)	2019 (RMB'000)
Carrying amount at 1 January	553	—
New leases	1,013	1,456
Accretion of interest recognized during the year	24	47
Payments	(951)	(950)
Carrying amount at 31 December	639	553
Analyzed into:		
Current	639	553
Non-current	—	—
	639	553

The maturity analysis of lease liabilities is disclosed in note 29 to the financial statements.

(c) The amounts recognized in profit or loss in relation to leases are as follows:

	2020 (RMB'000)	2019 (RMB'000)
Interest on lease liabilities	24	47
Depreciation charge of right-of-use assets	943	915
Expense relating to leases of low-value assets (included in administrative expenses)	9	146
Total amount recognized in profit or loss	976	1,108

(d) The total cash outflow for leases are disclosed in note 22(c) to the financial statements.

15. TRADE RECEIVABLES

	2020 RMB'000	2019 RMB'000
Trade receivables	110,691	142,557
Impairment	(1,991)	(1,897)
	108,700	140,660

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

Included in the Group's trade receivables are amounts due from the Group's related parties of RMB364,000 (2019: RMB2,074,000) as at 31 December 2020, respectively, which are repayable on credit terms from one to twelve months.

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

	2020 RMB'000	2019 RMB'000
Within 1 month	107,287	119,011
1–3 months	1,780	17,675
3–6 months	233	1,724
6–12 months	—	3,408
Over 12 months	1,391	739
	110,691	142,557

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

	2020 RMB'000	2019 RMB'000
At beginning of year	1,897	1,082
Impairment losses	94	815
At end of year	1,991	1,897

15. TRADE RECEIVABLES (Continued)

Impairment under HKFRS 9 for the year

An impairment analysis was made based on expected credit loss model on the recoverability of trade receivables. The identification of impairment requires management's judgements and estimates by considering the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from 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 2020

	Trade receivables ageing					
	Within 1 month	1–3 months	3–6 months	6–12 months	Over 12 months	Total
Expected credit loss rate	0.54%	0.55%	3.86%	11.29%	100.00%	1.80%
Gross carrying amount *(RMB'000)*	107,287	1,780	233	—	1,391	110,691
Expected credit losses *(RMB'000)*	581	10	9	—	1,391	1,991

As at 31 December 2019

	Trade receivables ageing					
	Within 1 month	1–3 months	3–6 months	6–12 months	Over 12 months	Total
Expected credit loss rate	0.66%	1.13%	3.12%	5.74%	90.03%	1.34%
Gross carrying amount *(RMB'000)*	119,011	17,675	1,724	3,408	739	142,557
Expected credit losses *(RMB'000)*	782	200	54	196	665	1,897

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020 RMB'000	2019 RMB'000
Prepayments	**3,062**	742
Deposits and other receivables (a)	**2,761**	7,358
	5,823	8,100

Note:

(a) Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment. The other receivables are neither past due nor impaired and their ECL consideration is set out in note 29 to the financial statements.

17. CASH AND CASH EQUIVALENTS

	2020 RMB'000	2019 RMB'000
Cash and bank balances	**281,029**	171,639

As at 31 December 2020, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to RMB89,077,000(2019:RMB37,471,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

18. TRADE PAYABLES

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

	2020	2019
	RMB'000	*RMB'000*
Within 1 year	**195,871**	230,389

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

19. OTHER PAYABLES AND ACCRUALS

	2020	2019
	RMB'000	*RMB'000*
Other payables	**27,086**	15,297
Payroll and welfare payables	**895**	655
Other tax payable	**205**	43
	28,186	15,995

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

20. SHARE CAPITAL

Shares

	2020	2019
	RMB'000	*RMB'000*
Issued and fully paid:		
622,500,000 (2019:200,000,000) ordinary shares of US$0.0005 each	**2,157**	679

20. SHARE CAPITAL (Continued)

Shares (Continued)

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital *(USD'000)*	Share capital *(RMB'000 Equivalent)*
Issued and fully paid:			
At 1 January 2019	—	—	—
Issue of new shares *(note (a))*	1,000,000	100	679
Share subdivision *(note (a))*	199,000,000	—	—
At 31 December 2019 and 1 January 2020	200,000,000	100	679
Capitalisation issue *(note (b))*	250,000,000	125	874
Issue of new shares *(note (c))*	172,500,000	86	604
At 31 December 2020	**622,500,000**	**311**	**2,157**

Note (a): The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 1 February 2019 with authorised share capital of US$50,000 divided into 50,000 shares of US$1 each. On 26 June 2019, the authorised share capital was increased to US$62,500, divided into 62,500 shares of US$1 each. On 18 September 2019, the authorised share capital was increased to US$100,000, divided into 100,000 shares of US$1 each. On 20 September 2019, the Company underwent a subdivision of shares whereby each of the existing issued and unissued ordinary shares of par value of US$1.00 each was subdivided into 2,000 ordinary shares of par value of US$0.0005 each. After the subdivision, the authorised share capital became US$100,000, divided into 200,000,000 shares of US$0.0005 each. On 22 June 2020, the authorised share capital of the Company was increased to US$500,000 divided into 1,000,000,000 Shares of a par value of US$0.0005 each through the creation of 800,000,000 additional shares of US$0.0005 each.

Note (b): Pursuant to a written resolution of the shareholders of the Company passed on 22 June 2020, a total of 250,000,000 shares of US$0.0005 each were allotted and issued at par value to the shareholders as at the date immediately before 10 July 2020 (the "**Listing Date**") in proportion by way of capitalization of US$125,000 from the Company's share premium account.

Note (c): On the "**Listing Date**", 172,500,000 ordinary shares were issued in connection with the Company's initial offering on the Hong Kong Stock Exchange.

21. RESERVES

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity of this report.

Share premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

Merger reserve

For the purpose of the preparation of the consolidated statement of financial position, the balance of the merger reserve represents the capital contributions from the then equity shareholders of the Group's subsidiaries.

Capital reserve

The capital reserve represents any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid for acquisition of non-controlling interests in subsidiaries.

Statutory surplus reserve

In accordance with the PRC Company Law, the Company's subsidiary established in the Mainland China is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital, provided that the balance after such conversion is not less than 25% of the registered capital of the entity. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

22. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB1,013,000, respectively, in respect of extension of a lease arrangement for a property (2019: Nil).

(b) Changes in liabilities arising from financing activities

	Lease liabilities (RMB'000)
At 1 January 2020	553
Changes from financing cash flows	(927)
New leases	1,013
Interest expense	24
Interest paid classified as operating cash flows	(24)
At 31 December 2020	639

	Lease liabilities (RMB'000)
At 1 January 2019	—
Changes from financing cash flows	(950)
New leases	1,456
Interest expense	47
Interest paid classified as operating cash flows	—
At 31 December 2019	553

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2020 (RMB'000)	2019 (RMB'000)
Within operating activities	24	47
Within financing activities	927	950
	951	997

23. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Non-controlling interests represent the equity interests held by parties other than the controlling shareholders prior to the completion of the Reorganisation. Upon completion of the Reorganisation, the Company had 100% interests in its subsidiaries.

Details of the Group's subsidiary that has material non-controlling interests are set out below:

	2020	2019
Percentage of equity interest held by non-controlling interests:	—	—
HongKong AdTiger	—	—

	2020 *RMB'000*	2019 *RMB'000*
Profit for the year allocated to non-controlling interests:		
HongKong AdTiger	—	810
Dividends paid to non-controlling interests:		
HongKong AdTiger	—	—
Accumulated balances of non-controlling interests at the reporting date:		
HongKong AdTiger	—	—

The following tables illustrate the summarised financial statements of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

2019	**HongKong AdTiger** *RMB'000*
Revenue	135,866
Total expenses	(123,699)
Profit for the year	12,167
Total comprehensive income for the year	12,406
Current assets	263,721
Non-current assets	144
Current liabilities	(245,696)
Net cash flows used in operating activities	(9,697)
Net cash flows used in financing activities	(5,971)
Effect of foreign exchange rate changes	224
Net decrease in cash and cash equivalents	(15,444)

24. COMMITMENTS

At the end of the year, the Group and the Company did not have any significant commitments.

25. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities.

26. RELATED PARTY TRANSACTIONS AND BALANCES

The directors of the Company are of the view that the following parties/companies are related parties that had transactions or balances with the Group during the year.

(a) Name and relationship

Name of related parties	Relationship with the Group and the Company
Taschh Limited	A shareholder which has significant influence over the Company

(b) Related party transactions

In addition to the transactions and balances disclosed elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:

	2020	2019
	RMB'000	*RMB'000*
Services provided to related parties:		
Taschh Limited	**508**	561

(c) Outstanding balances with related parties

The Group had the following balances with related parties:

	2020	2019
	RMB'000	*RMB'000*
Amounts due from related parties:		
Taschh Limited (1)	**364**	2,074
	364	2,074

(1) The amounts due from the related parties are included in trade receivables in note 15 to the financial statements, and are trade in nature.

26. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(d) Compensation of key management personnel of the Group

	2020 RMB'000	2019 RMB'000
Short term employee benefits	3,587	425
Contributions to the pension scheme	65	63
	3,652	488

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

27. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the year were as follows:

As at 31 December 2020

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables	108,700
Financial assets included in prepayments, deposits and other receivables	2,703
Cash and cash equivalents	281,029
	392,432

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	195,871
Financial liabilities included in other payables and accruals	27,086
Lease liabilities	639
	223,596

27. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

As at 31 December 2019

Financial assets

	Financial assets at amortised cost *RMB'000*
Trade receivables	140,660
Financial assets included in prepayments, deposits and other receivables	7,358
Cash and cash equivalents	171,639
	319,657

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Trade payables	230,389
Financial liabilities included in other payables and accruals	15,297
Lease liabilities	553
	246,239

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals and amounts due from related parties, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

The Group did not have any financial assets and liabilities measured at fair value as at 31 December 2020 (2019: Nil).

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

The Group mainly operates in Mainland China and Hong Kong with most of the Group's monetary assets, liabilities and transactions principally denominated in Renminbi, United States dollars and Euro. The Group has not used any derivative to hedge its exposure to foreign currency risk.

The following table indicates the approximate change in the Group's profit before tax and the Group's equity (excluding retained profits) in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the year with all other variables held constant:

	Increase/ (decrease) in rate of foreign currency *%*	Increase/ (decrease) in profit before tax *RMB'000*	Increase/ (decrease) in equity* *RMB'000*
Year ended 31 December 2020			
If RMB weakens against USD	**5**	**—**	**512**
If RMB strengthens against USD	**(5)**	**—**	**(512)**
If RMB weakens against EUR	**5**	**282**	**—**
If RMB strengthens against EUR	**(5)**	**(282)**	**—**
If RMB weakens against HKD	**5**	**388**	**—**
If RMB strengthens against HKD	**(5)**	**(388)**	**—**
Year ended 31 December 2019			
If RMB weakens against USD	5	—	247
If RMB strengthens against USD	(5)	—	(247)
If RMB weakens against EUR	5	1,405	—
If RMB strengthens against EUR	(5)	(1,405)	—

* Excluding retained profits

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, amounts due from related parties, trade receivables and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

(i) Credit risk of trade receivables

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 90 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. The expected loss allowance provision for these balances was not material during the year. In view of the sound collection history of receivables, management believes that the credit risk inherent in the Group's outstanding trade receivable balances is not significant.

In calculating the expected credit loss rate, the Group considers the historical loss rates for its customers and adjusts for forward-looking macroeconomic data. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 15.

(ii) Credit risk of other receivables and amounts due from related parties

For the amounts due from related parties and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of the amounts due from related parties and other receivables based on historical settlement records and past experiences. As at 31 December 2020, the credit ratings of other receivables and the amount due from related parties were performing. The Group assessed that the expected credit losses for these receivables and the amounts due from related parties were not material under the 12-month expected loss method. In view of the history of cooperation with debtors and the sound collection history of receivables, management believes that the credit risk inherent in the Group's outstanding other receivable balances and the amounts due from related parties is not significant. The expected credit loss rate is close to zero.

(iii) Credit risk of cash and cash equivalents

To manage this risk arising from cash and cash equivalents, they are mainly placed with banks with high credit ratings. There has been no recent history of default in relation to these financial institutions. Based on historical data and management's analysis, loss on collection is not material and hence no provision is considered.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assists and liabilities. The Group monitors its risk to a shortage of funds by considering the maturities of both its financial liabilities and financial assets.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group aims to maintain sufficient cash and cash equivalents to meet its liquidity requirements.

The maturity profile of the Group's financial liabilities as at the end of the year, based on the contractual undiscounted payments, is as follows:

	On demand/ Less than 2 months *RMB'000*	2 to 12 months *RMB'000*	Total *RMB'000*
31 December 2020			
Trade payables	195,871	—	195,871
Other payables	—	28,186	28,186
Lease liabilities	—	639	639
	195,871	28,825	224,696
31 December 2019			
Trade payables	230,389	—	230,389
Other payables	—	15,297	15,297
Lease liabilities	—	553	553
	230,389	15,850	246,239

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the year.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group monitors capital using a debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of the year were as follows:

	2020 *RMB'000*	2019 *RMB'000*
Total liabilities	231,181	263,869
Total assets	396,670	321,509
Debt-to-asset ratios	58%	82%

30. EVENTS AFTER THE REPORTING PERIOD

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

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the company at the end of the reporting period is as follows:

	2020 (RMB'000)	2019 (RMB'000)
NON-CURRENT ASSETS		
Investment in subsidiaries	39,544	39,544
Total non-current assets	39,544	39,544
CURRENT ASSETS		
Prepayments, deposits and other receivables	223	—
Due from subsidiaries	19,623	—
Cash and cash equivalents	94,999	365
Total current assets	114,845	365
CURRENT LIABILITIES		
Other payables and accruals	342	—
Due to subsidiaries	9,291	365
Total current liabilities	9,633	365
Net current assets	105,212	—
TOTAL ASSETS LESS CURRENT LIABILITIES	144,756	39,544
Net assets	144,756	39,544
EQUITY		
Share capital	2,157	679
Reserves	142,599	38,865
Total equity	144,756	39,544

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

A summary of the Company's reserves is as follows:

	Share premium *(RMB'000)*	Exchange fluctuation reserve *(RMB'000)*	Accumulated losses *(RMB'000)*	Total *(RMB'000)*
As at 1 January 2019	—	—	—	—
Profit for the year	—	—	—	—
Acquisition of non-controlling interests	2,414	—	—	2,414
Capital injection	36,451	—	—	36,451
As at 31 December 2019	38,865	—	—	38,865

	Share premium *(RMB'000)*	**Exchange fluctuation reserve *(RMB'000)***	**Accumulated losses *(RMB'000)***	**Total *(RMB'000)***
As at 1 January 2020	**38,865**	**—**	**—**	**38,865**
Loss for the year	**—**	**(8,334)**	**(139)**	**(8,473)**
Other comprehensive income for the year	**—**	**—**	**—**	**—**
Total comprehensive loss for the year	**—**	**(8,334)**	**(139)**	**(8,473)**
Issue of new shares	**133,347**	**—**	**—**	**133,347**
Capitalisation issue	**(874)**	**—**	**—**	**(874)**
Share issue expenses	**(20,266)**	**—**	**—**	**(20,266)**
As at 31 December 2020	**151,072**	**(8,334)**	**(139)**	**142,599**

32. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the board of directors on 31 March 2021.

Unless the context otherwise require, the following expressions shall have the following meaning:

"Acting-in-Concert Agreements"	the acting-in-concert agreements entered into among the Founders on 11 May 2016, 31 May 2016 and 6 September 2019 concerning their cooperation as parties acting in concert regarding the management of, and to exercise control over, the Group
"AdTensor"	our proprietary ad optimisation and management platform
"AGM"	annual general meeting of the Company
"AI"	artificial intelligence
"Articles of Association"	the articles of association of the Company (as amended from time to time), adopted on 22 June 2020
"Beijing AdTiger"	Beijing AdTiger Media Co., Limited (北京虎示傳媒有限公司), a company incorporated in the PRC with limited liability on 11 May 2016, an operating and indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors
"CAGR"	compound annual growth rate
"CG Code"	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
"Chairman"	chairman of the Board
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this annual report, Hong Kong, Macau and Taiwan
"click-through(s)"	the number of clicks on the ad, represents the action device users click on the ad during a certain period of time
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"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
"Controlling Shareholder"	Ms. Chang, Fetech, Rowtel, Ms. Li, Hera and Westel
"COVID-19"	2019 novel coronavirus disease
"CPA"	cost per action, a performance-based pricing model where advertising is paid on the basis of each action of the mobile device user such as download, installation or registration. CPI is typically referred to as CPA

"CPC"	cost per click, a non-performance-based pricing model where advertisers are charged on the basis of each click of the ad
"CPI"	cost per install, a performance-based pricing model where advertisers are charged on the basis of each installation of the app
"CPM"	cost per mille, a non-performance-based pricing model where advertisers are charged on the basis of thousand impressions
"Director(s)"	the director (s) of the Company
"Eligible Persons"	An employee (whether full time or part-time) or a director of a member of the Group or associated companies of the Company as determined by the Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Post-IPO Share Option Scheme) at its absolute discretion to be offered to grant an option to subscribe for such number of Shares
"ESG Report"	Environmental, social and governance report
"Fetech"	Fetech Media Limited, a company incorporated in the British Virgin Islands with limited liability on 29 October 2018, one of our Controlling Shareholders
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group", "we", "us" or "our"	the Company and its subsidiaries
"Hera"	Hera Bridge Media Limited, a company incorporated in the British Virgin Islands with limited liability on 29 October 2018, one of our Controlling Shareholders
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	Hong Kong Financial Reporting Standards
"HongKong AdTiger"	HongKong AdTiger Media Co., Limited (香港虎視傳媒有限公司) (formerly known as Asia-Pacific Institute of Child Development Limited 亞太兒童成長學會有限公司), a company incorporated in Hong Kong with limited liability on 22 November 2010, an operating and indirect wholly-owned subsidiary of the Company
"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
"INED(s)"	the independent non-executive Director(s)
"IT"	the information and technology

"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	10 July 2020, the date on which the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Mr. Hsia"	Mr. HSIA Timothy Chunhon, our non-executive Director and our substantial Shareholder
"Ms. Chang"	Ms. CHANG Sufang (常素芳), our executive Director, one of our Controlling Shareholders
"Ms. Li"	Ms. LI Hui (李慧), our executive Director, one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of the Company
"Over-allotment Option"	has the meaning ascribed to it under the Prospectus
"Post-IPO Share Option Scheme"	the share option scheme conditionally adopted by the Company, further details of which are described in the subsection headed "Statutory and General Information — D. Post-IPO Share Option Scheme" in Appendix IV to the Prospectus
"Prospectus"	the prospectus of the Company dated 29 June 2020
"Remuneration Committee"	the remuneration committee of the Company
"Reorganisation"	the reorganisation of the Group in preparation of the Listing, details of which are set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus
"Reporting Period"	the year ended 31 December 2020
"R&D"	the research and development
"RMB"	Renminbi, the lawful currency of the PRC

"Rowtel"	Rowtel Technology Limited, a company incorporated in the British Virgin Islands with limited liability on 27 December 2018, one of our Controlling Shareholders
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended and supplemented from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company, currently of nominal value US$0.0005 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Codes on Takeovers and Mergers of Hong Kong approved by the Securities and Futures Commission in Hong Kong as amended, supplemented or otherwise modified from time to time
"Taschh"	Taschh Limited, a company incorporated in Hong Kong with limited liability on 22 May 2015, our substantial shareholder
"Tiequan LLC"	Tiequan LLC, a company incorporated in the Cook Islands with limited liability on 25 May 2015, our substantial shareholder
"Tiequan Trust"	a trust established in the Cook Islands with Mr. Hsia as the sole beneficiary and the trustee of which is Southpac Trust International, Inc. is appointed on 25 May 2015, our substantial shareholder
"US" or "United States"	the United States of America
"US$" or "USD"	United States dollars, the lawful currency of the United States
"Westel"	Westel Technology Limited, a company incorporated in the British Virgin Islands with limited liability on 27 December 2018, one of our Controlling Shareholders