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Bright Future Technology Holdings Limited **辉煌明天科技控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1351)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the “**Directors**”) (the “**Board**”) of Bright Future Technology Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

FINANCIAL PERFORMANCE HIGHLIGHTS			
<i>For the year ended 31 December</i>			
	2024	2023	Change
	<i>RMB'000</i>	<i>RMB'000</i>	<i>(%)</i>
Revenue generated from intelligent marketing solution services			
– Integrated intelligent marketing solutions services ⁽¹⁾	1,023,471	868,141	17.9
– Influential placement services ⁽²⁾	15,752	24,292	-35.2
Revenue	1,039,223	892,433	16.4
Gross revenue	1,358,720	1,499,864	-9.4
Gross profit	61,299	80,545	-23.9
(Loss)/profit for the year	(6,494)	14,812	-143.8
Adjusted net (loss)/profit ⁽³⁾	(5,086)	21,949	-123.2

Notes:

- (1) Based on the gross basis of revenue recognition.
- (2) Based on the net basis of revenue recognition.
- (3) Adjusted net (loss)/profit, a non-HKFRSs measure, is calculated by adding back share-based compensation and income tax expense, which are non-indicative of the Group's operating performance, to the net (loss)/profit for the year.

MANAGEMENT DISCUSSION AND ANALYSIS

MACROECONOMIC OVERVIEW

The macro economy remained resilient in 2024 with a mix of challenges and opportunities, marked by a moderate economic growth, ongoing global inflationary pressures and geopolitical tensions.

According to the National Bureau of Statistics of China, China's gross domestic products ("GDP") in 2024 was up by 5.0% year-on-year. The increase in GDP shows that China's economic strength and national power have reached new levels, indicating a more solid foundation, greater sustainability and stronger risk resilience in terms of economic development. Yet, in 2024, China's economy still faced challenges, particularly insufficient domestic demand. In response, a series of policies were introduced by the Chinese government which successfully stabilized market confidence, boosted the internal driving forces of the overall economy, and resulted in an economic recovery. With more supportive measures to be rolled out to boost the national economy, the outlook for the platform economy (one that relies on network infrastructure and leverages digital technologies such as artificial intelligence, big data, and blockchain to match transactions, transmit information, and manage processes) and the private sector economy will remain positive.

Yet, risks and hidden challenges persist as negative impacts from the external environment are deepening, domestic demand remains insufficient, some domestic enterprises face operational difficulties, employment and income growth for the public are still under pressure. Achieving economic recovery and improvement will therefore require continued and substantial efforts.

MARKET REVIEW

In 2024, while retail sales grew, consumer sentiment remained cautious. Chinese consumers continued to adopt a cautious stance toward the macroeconomic outlook and spent with increased prudence. The consumer market in China experienced significant shifts driven by economic transformation, technological advancement and changing preferences. In particular, consumer values underwent drastic changes with a focus on purchasing daily necessities and essential items. Rational spending and budgeting remained to be a priority in China's consumer market.

Despite the above challenges, businesses that adapt, innovate, and tailor their strategies to the changing environment can find significant opportunities. For example, companies had to adjust their pricing, marketing approaches and product offerings in response to consumers' reduced spending.

On the other hand, Artificial Intelligence-Generated Content (“AIGC”) technology continues to play a key role in the consumer market by influencing consumers' purchasing decisions. This urges brands to focus on continuous innovation by investing more in AI and other advanced technologies, so as to improve customer experiences, make operations more efficient and stay ahead of competitors. Social media platforms like Douyin and Xiaohongshu are crucial in influencing consumer behavior in China. Consumers depend on these platforms for product reviews and recommendations, making it vital for brands to use strong digital marketing strategies. Creating engaging content, partnering with influencers and running interactive campaigns can help brands build trust and loyalty with Chinese consumers. In 2024, the Group has also enhanced its business relationships with well-known domestic AIGC technology and product suppliers, as well as intelligent assistant customers.

INDUSTRY REVIEW

Although advertisers have shown increased confidence, they are placing greater emphasis on using resources efficiently. In terms of budget allocation, while marketing budgets have grown slowly, there has also been a stronger demand from advertisers for better campaigns results. This raises the bar for marketing companies who now need to demonstrate better skills in strategy and creativity whilst delivering measurable outcomes to remain competitive.

Short-video format continues to dominate the Chinese advertising industry. Short-video applications gained immense popularity among users, capturing their attention with engaging and easily consumable video content. According to the 2024 Annual Report on China Mobile Internet Traffic (2024年中國移動互聯網流量年度報告) published by Shanghai iResearch Co., Ltd., the leading provider of online audience measurement and consumer insights in China, the short video industry continues to experience high traffic and sustained user engagement, with the vertical drama video segment surpassing 130 million users, injecting new vitality into the industry's growth, enabling advertisers to diversify their own forms of advertising content and to explore innovative approaches to engage with audiences.

Meanwhile, the advancement of domestic AIGC technology is further reshaping the advertising marketing landscape by driving the industry to break through productivity efficiency bottlenecks. Specifically, the main developments are evident in three areas: ad creation, material matching and attribution analysis, which help improve ad quality and campaign effectiveness while keeping costs under control. Additionally, the commercialization of domestic AI products has introduced new growth opportunities for the advertising industry.

BUSINESS REVIEW

The Group has, since its inception, devoted much effort in providing high impact, holistic marketing services that aim to optimally serve its customers' needs, covering the full service integrated process from strategic marketing planning, advertisement production and placement, to post-placement performance monitoring.

In 2024, while the advertising industry faces significant challenges such as market concentration, intense competition, cautious consumer behavior and macroeconomic pressures, there are also substantial opportunities driven by technological advancement and improved advertiser confidence.

As the market demands greater advertising effectiveness, this has also led advertisers to adopt a cautious approach towards their advertising budgets, which results in a heightened emphasis on maximising the value derived from advertising investments, such as quality content and private domain traffic. Additionally, advertisers have been placing greater importance on the precision of their advertising spending, which requires a data-driven insights to customise advertising content and delivery methods for maximum impact and engagement, presenting a significant challenge for industry players.

Despite budget constraints and market uncertainties, the shifting advertising landscape offers opportunities for those who can adapt, focus on efficiency and embrace innovation. Committed to delivering targeted and impactful campaigns that engage audiences and drive results, the Group is determined to succeed in a fast-evolving and highly competitive market. As such, the Group has been adjusting to industry trends and external changes, improving efficiency and cutting costs. It has also been enhancing its advertising strategies by using AIGC technology and updating short video content and formats. As a result, the Group recorded a revenue for the Reporting Period of approximately RMB1,039.2 million as compared to approximately RMB892.4 million in 2023, representing an increase of approximately RMB146.8 million or 16.4%.

Furthermore, to cope with the evolving and challenging market environment, the Group has been actively exploring new media channels and working with customers in the short-video industry such as audio-visual entertainment. The Group has also been delving deep into customers' underlying needs, adjusting its service models, and providing more comprehensive and refined intelligent marketing services to its customers. Additionally, the Chinese government continues to promote the healthy development of the advertising industry while improving the level of regulation which mainly focuses on investigating and punishing false and illegal advertisements. In response, the Group has enhanced control and management measures over customers' advertising content across the entire process, including content planning, creation, revision, review and dissemination. The Group has also increased the proportion of end-to-end solutions provided to its customers, maximising the advantages of its marketing algorithms and content management capabilities. The Group's total number of customers increased to 650 in 2024 from 634 in 2023, demonstrating the Group's ability to maintain a stable customer base in a volatile market. During the Reporting Period, the Group recorded gross profit of approximately RMB61.3 million as compared to approximately RMB80.5 million in 2023, representing a decrease of approximately RMB19.2 million or 23.9%.

A loss attributable to the owners of the Group of approximately RMB6.5 million is recorded for the Reporting Period as compared to a profit attributable to the owners of the Group of approximately RMB14.8 million in 2023, representing a decrease of approximately RMB21.3 million or 143.9%. Such decrease was mainly due to (i) the rise in cost of services particularly from advertising traffic costs corresponding to the revenue growth, along with the discounts provided by the Company to its customers, which led to a decline in gross profit; and (ii) the reduction in other gains, net resulting from the cancellation of value-added tax addition and deduction within the industry in which the Group operated in 2024, as well as a decrease in government grants. The Group will continue to promote cost reduction and efficiency enhancement measures as well as strengthen budget and cash flow control, striving to improve operational efficiency, optimize resource allocation and enhance profitability in the coming year.

The Group is expected to record adjusted net loss for the Reporting Period of approximately RMB5.1 million. By eliminating the effects of items that the Group's management considers non-indicative of its operating performance, namely income tax expense and share-based compensation, adjusted net (loss)/profit (albeit a non-HKFRS measure) provides more useful information to investors in facilitating a comparison of the Group's operations from period to period.

Led by a core management team with strong background in technological research and development from working for China’s most prominent tech giants, the Group has charted much progress in the development of and eventual implementation of holistic programmatic short-video placement. In line with the Group’s aim to redefine marketing with innovative technology, the Group not only sets itself apart from traditional marketing solutions providers, but is also among the only few within the industry having its own proprietary full-service integrated system, which is empowered by its big data and information technology capabilities, backed by its self-developed Data Management Platform (“**DMP**”), complemented by its built-in enterprise resource planning (“**ERP**”) and customer relationship management (“**CRM**”) functions, and completed by its cloud-based repository system for stock videos and images.

Tailored to address the particular needs of its customers, the Group has spearheaded the “AIPL integrative model” (AIPL全鏈路模塊), with AIPL being the acronym for “Awareness (認知), Interest (興趣), Purchase (購買) and Loyalty (忠誠)”, the key tenets forming the Group’s strategic agenda and business model, which also embodies the Group’s commitment towards service quality and customer satisfaction. Meanwhile, the Group’s focus, ever since its incorporation, has always been on providing its customers with marketing solutions backed by advanced digital analytics which are accorded the apt label of “intelligent marketing solutions” (智慧營銷解決方案). With the Chinese government’s supportive policy for innovation of platform-based enterprises and its active promotion of the digital economy, the Group’s complementary content and technological tools have been and will be more instrumental in assisting its customers’ launch of their digital transformation process during such turbulent times and beyond.

Competitive strengths and strategies

Given the intense competition and the challenging operating environment ahead, the following measures taken, strategies formulated and forthcoming plans by the Group during the Reporting Period and beyond encapsulate the key areas that will support the Group’s strategic direction and define the course of the Group’s operations going forward:

Furthering its innovative efforts to ensure technological differentiation with cutting-edge proprietary solutions

One of the Group’s major breakthroughs that sets it apart from its peers is its proprietary full service intelligent marketing management platform (鄰度全鏈路智能營銷管理平台), LinkBriAI (originally named as “**LinkDoAI**”), which is developed through the revamping, enhancement and extension of the Group’s existing systems and technological infrastructures. To ensure the seamless integration and synergy across its wide range of technical, cloud-based and back-end support systems, the Group classified its existing systems and tools under three main heads, namely the “AI algorithm platform” (AI算法平台), the “cloud repository AI management system” (雲素材庫AI管理系統) and the “intelligent project management system” (智能項目管理系統), which together constitute the LinkBriAI.

The LinkBriAI provides a practical framework upon which the Group can expand its service offerings and create products capable of generating additional values for its customers and thereby maintaining customer loyalty. The integrative model would also promote continuous improvement in the Group's operating processes and efficacy.

To adapt to the challenging times, the Group has been constantly optimizing its cost structure, yet it will not give up on its innovative pursuits that it has continued to strive for, and will roll out further upgrades and new functions at appropriate timing. In 2024, the Group continued to integrated AIGC technology into its LinkBriAI system, mainly utilizing it in content creation, data analysis and business operations to bolster efficiency. Through the utilization of AIGC technology, manual tasks and repetitive processes are streamlined, resulting in time and resource savings. Additionally, the advanced algorithms and data analytics capabilities of AIGC technology offer more precise and timely information, enabling the optimization of business processes and decision-making. Furthermore, as the Group's approach to implementing AIGC technology has become more cautious in tandem with its deepening understanding of this technology. The Group is set to hone its precision marketing capabilities through further upgrades and improvements to the LinkBriAI system with AIGC technology so as to optimize the profitability of its operations. During the Reporting Period, the Group's impression of advertisements (i.e. the total number of views generated from its advertisements) has reached approximately 110.00 billion (2023: approximately 131.08 billion). AIGC production of short videos accounted for approximately 32% of the Group's total short video production capacity (i.e. contents that are generated primarily by AIGC technologies, with manual labor primarily responsible for reviewing some of the videos produced).

Continued commitment to technological innovations to bolster business agility with data-driven insights

Back in 2020, the Group constructed its own cloud-based repository system for all stock videos and images created since its incorporation to cope with the surging demand for quality short-video content. Through the process of modularisation (模塊化) (i.e., the breaking down of video footage into small segments and distinct parts which are then labelled according to their subject matters, creative value, previous usages and conversion rates), the stock videos can be readily assessed and utilised for different advertising projects, thus bringing the Group's short-video output operations closer to full automation. Equipped with programmatic data analytics capabilities, the system plays a vital role in the Group's short-video advertising operations by providing valuable insights for the creative process of short-video editing. The system has been fully optimised and utilised, bringing agility to the process of creating short-video through effective and efficient management, analysis and repurposing of creative content. Alongside other functional upgrades, enhancements to the cloud repository AI management system primarily focuses on improving the efficiency of self-learning and modular management algorithms. To enable more efficient resource deployment, regular internal reviews and revisions are introduced, fostering deep collaboration between the R&D teams and the short-video production crew.

In an increasingly competitive landscape with a multitude of market players boasting various strengths, the Group is dedicated to enhancing its content creation capabilities and prioritising the understanding of consumer preference, particularly among Z-generation users. This strategic focus aims to capture the attention and loyalty of a broader and more diverse audience. Additionally, as the evaluation and analysis of consumer preferences heavily rely on algorithms and data, the Group collaborates with media platforms to source the necessary insights and information. As such, the Group has been continuously strengthening its partnership with Ocean Engine (巨量引擎) to enhance the analysis and utilisation of data from such platforms, thereby enabling the Group to understand consumer preference better.

Striving to maintain customer loyalty and achieve diversification of customer structure

As advertising budgets reduce and competition steepens among marketing solutions providers, the Group has taken the initiative to reel in customers via online and offline channels and from a wider array of industry verticals such as those specialising in audio-visual entertainment. Throughout 2024, the Group experienced a steady customer base, which remains primarily dominated by prominent internet giants from various sectors such as internet services, tools, finance and e-commerce. In addition to major customers like Baidu and Alibaba, key platforms like NetEase and Kuaishou also contributed significantly to the Group's business performance in 2024. Moreover, the Group has been expanding its partnerships with top influencers to further diversify its e-commerce customer base and enhance its presence in the live broadcasting sector, with an aim to cultivate a more diverse clientele and solidify the Group's position within the dynamic environment. In addition, leading domestic social media platforms such as Xiaohongshu and Weibo have remained relatively active, indicating ongoing opportunities for collaboration and outreach with these active online platforms. The Group has also kept pace with industry developments and has focused on expanding its portfolio of AIGC service offerings. As a result, the Group saw a steady expansion of the scale of its cooperation with AIGC product customers. These collaborations and partnerships demonstrated the Group's dedication to expanding and diversifying its clientele while showcasing its ongoing initiatives to utilize a wide array of platforms and influencers to broaden its market reach and impact.

This also demonstrated the Group's adaptability and proactive stance in responding to the evolving market conditions and effectively meeting the needs of its customers. As customers' needs and satisfaction lie at the heart of the Group's culture, innovative strategy and endeavors, the number of the Group's repeat customers has achieved an increase to 319 for the Reporting Period as compared to 277 in 2023, demonstrating the Group's effort in strengthening its cooperation with repeat customers and improving its customer stickiness through quality service.

Continuous reinforcement of cooperation with top media platforms

The Group has managed to maintain and extend its business relationships with certain renowned domestic media platforms. For example, it has been appointed as the 2024 exclusive service provider in the audio-visual entertainment industry of Shenzhen Honor Software Technology Limited Company (深圳榮耀軟件技術有限公司) (“HONOR”), a well-known domestic mobile phone brand. The Group has also been appointed as a core agent for HONOR PUSH (榮耀推送服務), an advertising notification platform for HONOR mobile phone products, covering advertising notification channel resources for all of HONOR’s mobile phones. In addition, the Group has also been promoted to a core agent for and was awarded the “Excellent Service Provider”(優秀服務商)for HONOR Commercial Promotion (榮耀商業推廣平台), a promotion platform provided by HONOR for its pan-ecological partners, covering HONOR’s terminal mobile phone market, desktop resources and other high-quality global traffic. Furthermore, the Group has also passed the four-star accreditation of Baidu’s enterprise certification (企業認證), which is a rating for enterprise advertising service capability by collaborating with advertisers and agencies on Baidu’s platform to assess businesses in various areas like innovation, and service quality. By awarding different certification levels, this initiative aims to recognise exceptional enterprises, driving growth within the Internet advertising industry ecosystem.

The Group has also achieved a stable performance in advertising placement on the media platforms. During the Reporting Period, the Group recorded a total consumption of approximately 1.74 billion virtual tokens through media platforms as compared to approximately 1.80 billion virtual tokens in 2023, representing a slight decrease of approximately 0.06 billion virtual tokens or 3.3%.

Weaving in effective content strategies to achieve refined targeting, facilitate conversion, enhance value for its customers and strengthen its content creation ability

The Group leverages its technological expertise and analytical capabilities in consumer preference and perception matching to execute its content strategies effectively. By doing so, it aims to attract and engage target audience who are highly suitable for its customers’ businesses. In 2024, the Group continued to prioritise the development of innovative strategies so as to assist its customers in attracting target audience and boosting sales of their products or services. The Group acknowledged the importance of adapting to changing developments in the advertising industry by, for example, broadening its AIGC technology service offering. It has increased the incorporation of its internal technology with external AI platforms and media platforms of AIGC products, which has improved the efficiency and quality of the Group’s content creation ability as well as improved the diversification of short video forms. For instance, the Group has adopted “Virtual Digital Humans” (虛擬數字人) (i.e. a digitally created human-like avatar that can interact with users in a realistic or semi-realistic manner)

by making use of their unique capabilities to enhance engagement and personalization with users, which has significantly increased the efficiency of advertisements in finance and other industries. By doing so, it ensures that the Group remains at the forefront of industry developments and is well-equipped to cater to the changing needs and preferences of its clientele. The Group has also strengthened its cooperation with prominent mobile phone brands like HONOR in 2024, since mobile phone brands excel at precisely categorising customer demographics. This expertise helps the Group reaches users better in the growing markets, thereby enhancing the Group's engagement with its audience. Throughout this expansion process, the Group remains vigilant in monitoring market dynamics and user demands. By understanding consumer preferences, the Group can accurately select media and traffic partners for collaboration. This enables the Group to deliver content and services that cater to the needs of customers with varying budget standards during the present business cycle.

Edging over competitors with its offering of holistic customisable solutions at affordable prices

The Group is accustomed to serving mainly top-tier clientele, counting some of the biggest names in Chinese tech amongst its customers, for which the offering of customised solutions is deemed critical. In 2024, the Group has continued to increase the proportion of end-to-end solutions provided to its customers, maximising the advantages of its marketing algorithms and content management capabilities, which includes content creation, optimize targeted marketing, campaign management and performance tracking. Furthermore, the Group aims to reduce its reliance on single-channel placement services on designated media. While these services may have their merits, diversifying the advertising strategy across multiple channels enables a broader reach and exposure to a wider audience. By exploring various media platforms and channels, the Group can maximise the effectiveness of its customers' campaigns and enhance their overall return on investment. Each media platform and channel offers unique opportunities and advantages, and by adopting a diversified approach, the Group can optimise the allocation of its customers' advertising resources. Such strategic utilization of multiple channels enhances the overall return on investment for customers, leading to increased brand visibility, customer engagement, and ultimately driving business growth.

Furthermore, the Group's LinkBriAI system boasts of more comprehensive, sophisticated and technologically advanced infrastructure, thereby offering such fully-customisable marketing solutions at affordable prices.

FINANCIAL REVIEW

The following table sets forth the comparative statement of comprehensive income for the year ended 31 December 2024 and the year ended 31 December 2023.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	1,039,223	892,433
Cost of services	<u>(977,924)</u>	<u>(811,888)</u>
Gross profit	61,299	80,545
Selling and distribution expenses	(6,257)	(6,064)
General and administrative expenses	(55,280)	(53,544)
Net impairment losses on financial assets	(1,965)	(1,388)
Other gains, net	<u>623</u>	<u>4,486</u>
Operating (loss)/profit	(1,580)	24,035
Finance income	40	183
Finance costs	<u>(3,689)</u>	<u>(2,666)</u>
Finance costs – net	<u>(3,649)</u>	<u>(2,483)</u>
(Loss)/profit before income tax	(5,229)	21,552
Income tax expense	<u>(1,265)</u>	<u>(6,740)</u>
(Loss)/profit for the year	<u>(6,494)</u>	<u>14,812</u>

Revenue

During the year ended 31 December 2024, the Group recorded revenue of approximately RMB1,039,223,000, representing an approximate increase of RMB146,790,000 or 16.4% as compared to approximately RMB892,433,000 recorded for the year ended 31 December 2023. Such increase was largely contributed by the Group's focus on the growth of its integrated intelligent marketing solutions services.

A breakdown of the Group's revenue for the periods indicated are set forth in the table below:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Intelligent marketing solutions services		
– Integrated intelligent marketing solutions services – gross method	1,023,471	868,141
– Influential placement services – net method	15,752	24,292
	<hr/>	<hr/>
Total	1,039,223	892,433
	<hr/> <hr/>	<hr/> <hr/>

Cost of services

The Group's cost of services mainly comprises of advertising traffic costs and employee benefit expenses. During the year ended 31 December 2024, the Group recorded cost of services of approximately RMB977,924,000, representing an increase of approximately RMB166,036,000 or 20.5% as compared to approximately RMB811,888,000 recorded for the year ended 31 December 2023. Such increase was primarily attributable to the increase in the cost of integrated intelligent marketing solutions services corresponding to the growth in revenue.

Gross Profit

During the year ended 31 December 2024, the Group recorded gross profit of approximately RMB61,299,000, representing a decrease of approximately RMB19,246,000 or 23.9% as compared to approximately RMB80,545,000 recorded for the year ended 31 December 2023. The decrease in gross profit was primarily attributable to the increase in cost of services, in particular the increase in advertising traffic costs corresponding to the increase in revenue and the discounts offered by the Company to its customers.

Expenses

Selling and distribution expenses

The Group's selling and distribution expenses mainly comprise of (i) employee benefit expenses; (ii) entertainment expenses; (iii) office expenses; and (iv) travelling expenses. During the year ended 31 December 2024, the Group recorded selling and distribution expenses of approximately RMB6,257,000, representing an increase of approximately RMB193,000 or 3.2% as compared to approximately RMB6,064,000 recorded for the year ended 31 December 2023. Such increase was primarily attributable to the increase in incentive costs for sales personnel as the Group increased its efforts in market development in response to market conditions.

General and administrative expenses

The Group's general and administrative expenses mainly comprise of employee benefit expenses, legal and professional fees, consultancy fee, short-term lease expenses, travelling expenses, server charges and IT fees and auditor's remuneration. During the year ended 31 December 2024, the Group recorded general and administrative expenses of approximately RMB55,280,000, representing an increase of approximately RMB1,736,000 or 3.2% as compared to approximately RMB53,544,000 recorded for the year ended 31 December 2023. Such increase was primarily attributable to the increase in R&D expenditure as a result of the Group's increased investment in artificial intelligence and other advanced technologies to improve customer experience and enhance operational efficiency and the increase in office expenses and other expenses as a result of the Group's proactive expansion and development of new businesses.

Net impairment losses on financial assets

During the year ended 31 December 2024, the Group recorded net impairment losses on financial assets of approximately RMB1,965,000 (for the corresponding period in 2023: approximately RMB1,388,000), which represented the Group's expected credit losses from its trade receivables and other receivables.

Other gains, net

The Group's other gains, net comprise primarily of government grant and loss on disposal of property, plant and equipment. During the year ended 31 December 2024, the Group recorded other gains, net of approximately RMB623,000 as compared to approximately RMB4,486,000 for the corresponding period in 2023, representing a decrease of approximately RMB3,863,000 or 86.1%. Such decrease was primarily attributable to (i) the decrease in additional deduction of value-added tax due to the cancellation of such deduction within the Group's operating industry in 2024; and (ii) a decrease in government grants.

Finance costs – net

During the year ended 31 December 2024, the Group recorded net finance costs of approximately RMB3,649,000 as compared to approximately RMB2,483,000 recorded for the year ended 31 December 2023, representing an increase of approximately RMB1,166,000 or 47.0%. Such increase was primarily attributable to the increase in interest expenses on bank borrowings.

Income tax expenses

The Group is exempted from Cayman Islands income tax, and no provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax during the year ended 31 December 2024. The income tax expense was primarily attributable to PRC Enterprise Income Tax and PRC Withholding Tax. During the year ended 31 December 2024, the Group recorded income tax expense of approximately RMB1,265,000, representing a decrease of approximately RMB5,475,000 or 81.2% as compared to approximately RMB6,740,000 recorded for the year ended 31 December 2023. The decrease is mainly attributable to the decrease in taxable profits of the Group's subsidiaries in the PRC.

(Loss)/profit for the year

During the year ended 31 December 2024, the Group recorded loss of approximately RMB6,494,000, representing a decrease of approximately RMB21,306,000 or 143.8% as compared to profit of approximately RMB14,812,000 recorded for the year ended 31 December 2023. Such decrease was primarily attributable to (i) the rise in cost of services particularly from advertising traffic costs corresponding to the revenue growth, along with the discounts provided by the Group to its customers, which led to a decline in gross profit; and (ii) the reduction in other gains – net resulting from the cancellation of value-added tax addition and deduction within the industry in which the Group operated in 2024, as well as a decrease in government grants.

Non-HKFRS Measure: Adjusted net (loss)/profit

To supplement its historical financial information which is presented in accordance with HKFRS, the Group also uses adjusted net (loss)/profit as an additional financial measure, which is unaudited in nature and is not required by, or presented in accordance with, HKFRS. The Group believes that this non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of items that the management does not consider to be indicative of its operating performance. The Group believes that this measure provides useful information to investors and others in understanding and evaluating its results of operations in the same manner as it helps the Group's management. However, the Group's presentation of adjusted net (loss)/profit may not be comparable to similarly titled measures presented by other companies. The use of this non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under HKFRS.

The Group defines adjusted net (loss)/profit as net (loss)/profit for the year adjusted by adding back share-based compensation and income tax expense incurred during the Reporting Period. The Group eliminates the potential impacts of these items that the management does not consider to be indicative of the Group's operating performance.

The table below reconciles the Group's adjusted net (loss)/profit for the years presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS, which is the net loss for the year:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Reconciliation for net (loss)/profit to adjusted net (loss)/profit		
Net (loss)/profit for the year	<u>(6,494)</u>	<u>14,812</u>
Add:		
Share-based compensation		
– Recurring	143	397
Income tax expense	<u>1,265</u>	<u>6,740</u>
Adjusted net (loss)/profit	<u><u>(5,086)</u></u>	<u><u>21,949</u></u>

Liquidity and capital resources

As at 31 December 2024, the Group recorded total assets of approximately RMB449,355,000 (31 December 2023: approximately RMB478,682,000), total liabilities of approximately RMB306,703,000 (31 December 2023: approximately RMB331,372,000), total equity of approximately RMB142,652,000 (31 December 2023: approximately RMB147,310,000) and cash and cash equivalents of approximately RMB15,844,000 (31 December 2023: approximately RMB45,191,000). As at 31 December 2024, the gearing ratio of the Group was 111.3% (31 December 2023: approximately 88.4%). This ratio is calculated as net debt divided by total equity of the Group. Net debt includes bank and other borrowings and lease liabilities less cash and cash equivalents.

The Group mainly utilised internal cash flows from operating activities and borrowings to satisfy its working capital requirements.

Borrowings

As at 31 December 2024, the Group's total borrowings amounted to approximately RMB83,199,000 (31 December 2023: approximately RMB82,100,000).

As at 31 December 2024, the Group's bank borrowings bear interest rate from 2.80% to 4.50% (31 December 2023: 3.85% to 5.20%) per annum. As at 31 December 2024, the Group had no other borrowings (31 December 2023: 7.20% per annum).

Loans from related parties

As at 31 December 2024, total loans from related parties amounted to approximately RMB90,090,000 (31 December 2023: approximately RMB90,215,000) are unsecured, interest-free and repayable on demand of lenders under the loan contracts.

The unsecured loans from shareholders and key management personnel as at 31 December 2024 were interest-free and initially recognized at their principal amounts. No subsequent interest expense accretion was recognized during the year ended 31 December 2024.

Capital expenditures

The Group's capital expenditures during the year ended 31 December 2024 mainly consisted of expenditures on property, plant and equipment. For the year ended 31 December 2024, the Group has recorded approximately RMB296,000 capital expenditures, as compared to approximately RMB238,000 recorded for the year ended 31 December 2023. As at 31 December 2024, the Group did not have any material capital commitments (31 December 2023: Nil).

Capital Structure

As at 31 December 2024, the issued share capital of the Group was HK\$60,000,000 (31 December 2023: HK\$50,000,000) divided into 600,000,000 Shares (31 December 2023: 500,000,000 Shares) of nominal value of HK\$0.1 per Share.

References are made to the announcements of the Company dated 27 December 2023 and 22 January 2024. The number of issued share capital of the Company increased from 500,000,000 Shares to 600,000,000 Shares as a result of the completion of the subscription of new shares under general mandate which took place on 22 January 2024.

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures

No significant investments were held, nor were there any material acquisitions or disposals by the Group or any of its subsidiaries, associates or joint ventures during the year ended 31 December 2024.

Pledge of assets

As of 31 December 2024, none of the Group's asset was subject to any pledge (31 December 2023: a trade receivable amounted to RMB3,351,000 was pledged to a financial institution in secure a borrowing of RMB3,000,000).

Contingent liabilities

As of 31 December 2024, the Group had no material contingent liabilities (31 December 2023: Nil).

Employees and remuneration policies

As of 31 December 2024, the Group had 209 full-time employees (31 December 2023: 222), the majority of whom were based in Shenzhen, China. For the year ended 31 December 2024, total remuneration cost incurred by the Group amounted to approximately RMB48.6 million (2023: approximately RMB49.2 million). The remuneration package of our employees includes salaries, wages and bonuses, pension costs, share-based compensation, other social security costs, housing benefits and other employee benefits, which are generally determined by their qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds as required by the PRC laws and regulations. The remuneration policies of the Group are reviewed by the remuneration committee of the Group regularly. The Group is also dedicated to providing compulsory training courses to new employees and continuing trainings to existing employees to enhance their knowledge and skills.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
	<i>Notes</i>		
Revenue	3	1,039,223	892,433
Cost of services		<u>(977,924)</u>	<u>(811,888)</u>
Gross profit		61,299	80,545
Selling and distribution expenses		(6,257)	(6,064)
General and administrative expenses		(55,280)	(53,544)
Net impairment losses on financial assets	10	(1,965)	(1,388)
Other gains, net	5	<u>623</u>	<u>4,486</u>
Operating (loss)/profit		(1,580)	24,035
Finance income	6	40	183
Finance costs	6	(3,689)	(2,666)
Finance costs – net		<u>(3,649)</u>	<u>(2,483)</u>
(Loss)/Profit before income tax		(5,229)	21,552
Income tax expense	7	<u>(1,265)</u>	<u>(6,740)</u>
(Loss)/Profit for the year	4	<u>(6,494)</u>	<u>14,812</u>

		Year ended 31 December	
		2024	2023
<i>Notes</i>		RMB'000	RMB'000
Other comprehensive (loss)/income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
	Currency translation differences	318	(374)
<i>Items that may not be reclassified to profit or loss</i>			
	Currency translation differences	(1,432)	(662)
	Changes in the fair value of financial assets at fair value through other comprehensive income	(1,569)	1,608
		<u>(9,177)</u>	<u>15,384</u>
Total comprehensive (loss)/income for the year			
		<u>(9,177)</u>	<u>15,384</u>
(Loss)/profit for the year attributable to:			
	Owners of the Company	<u>(6,494)</u>	<u>14,812</u>
Total comprehensive (loss)/income for the year attributable to:			
	Owners of the Company	<u>(9,177)</u>	<u>15,384</u>
(Losses)/earnings per share attributable to owners of the Company			
	– Basic (<i>expressed in RMB cents per share</i>)	(1.14)	3.08
	– Diluted (<i>expressed in RMB cents per share</i>)	(1.14)	3.07
		<u>(1.14)</u>	<u>3.07</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,731	4,659
Intangible assets		330	991
Deposits and prepayments	10(b)	10	10
Deferred income tax assets		1,057	751
Financial assets at fair value through other comprehensive income		6,300	3,000
Total non-current assets		10,428	9,411
Current assets			
Trade receivables	10(a)	293,728	282,145
Deposits, prepayments and other receivables	10(b)	128,988	137,262
Restricted cash		367	4,673
Cash and cash equivalents		15,844	45,191
Total current assets		438,927	469,271
Total assets		449,355	478,682
LIABILITIES			
Non-current liabilities			
Borrowings	11	64,510	31,450
Lease liabilities		–	912
Deferred income tax liabilities		19,358	18,817
Total non-current liabilities		83,868	51,179

		As at 31 December	
		2024	2023
	<i>Notes</i>	RMB'000	RMB'000
Current liabilities			
Trade payables	12	47,776	77,872
Other payables and accruals	13	23,901	25,288
Loans from related parties	14	90,090	90,215
Borrowings	11	18,689	50,650
Contract liabilities		22,976	12,854
Lease liabilities		1,349	2,227
Current income tax liabilities		18,054	21,087
		<hr/>	<hr/>
Total current liabilities		222,835	280,193
		<hr/>	<hr/>
Total liabilities		306,703	331,372
		<hr/>	<hr/>
EQUITY			
Share capital		51,698	42,607
Reserves		109,441	115,279
Accumulated losses		(18,487)	(10,576)
		<hr/>	<hr/>
Total equity		142,652	147,310
		<hr/>	<hr/>
Total equity and liabilities		449,355	478,682
		<hr/> <hr/>	<hr/> <hr/>

NOTES

1 GENERAL INFORMATION

Bright Future Technology Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 8 November 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on 11 November 2020.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of intelligent marketing solutions services, comprised of two key components, namely, “influential placement services” and “integrated intelligent marketing solutions services” in the People’s Republic of China (the “**PRC**”). The controlling shareholders of the Group are Mr. Dong Hui (“**Mr. Dong**”) and Mr. Yang Dengfeng (“**Mr. Yang**”) (together the “**Controlling Shareholders**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, and have been approved for issue by the Board of Directors of the Company on 27 March 2025.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group has been prepared in accordance with Hong Kong Financial Reporting Standard (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention as modified by certain financial assets measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise HKFRS; Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3 REVENUE

Revenue comprises of proceeds from providing intelligent marketing solutions services. The analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 was as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Intelligent marketing solutions services		
– Integrated intelligent marketing solutions services – gross method	1,023,471	868,141
– Influential placement services – net method	15,752	24,292
Total	<u>1,039,223</u>	<u>892,433</u>

The timings of revenue recognition by category is as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At a point in time	1,039,223	892,433
Over time	–	–
Total	<u>1,039,223</u>	<u>892,433</u>

The Group had risks of concentration of customers with one customer accounted for approximately 13% of the Group's total revenue for the year ended 31 December 2024 and another customer accounted for approximately 19% of the Group's total revenue for the year ended 31 December 2023.

Trade receivables derived from these customers were approximately RMB32,729,000 (representing approximately 11% of the Group's total trade receivables as at 31 December 2024) and approximately RMB45,731,000 (representing approximately 16% of the Group's total trade receivables as at 31 December 2023), respectively.

4 (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the following:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Advertising traffic costs	960,736	799,336
Depreciation and amortisation	3,435	3,686
Research and development costs (excluding amortisation of intangible assets, depreciation of property, plant and equipment and employee benefit expense)	10,936	1,654
Lease payments not included in the measurement of lease liabilities	24	31
Auditors' remuneration	1,150	1,400
Government grants	(608)	(715)
Employee benefit expense (including directors' and chief executive's remuneration):		
– Wages, salaries and other benefits	41,821	42,794
– Share-based compensation	143	397
– Pension costs – defined contribution plans (Note)	2,606	3,933
– Other social security costs, housing benefits and other employee benefits	4,014	2,040
	<u>48,584</u>	<u>49,164</u>
Loss on disposals of property, plant and equipment	35	–
Impairment on trade receivables	2,130	1,312
(Reversal of impairment)/impairment on other receivables	(165)	76
Bank interest income	(40)	(183)
	<u>(40)</u>	<u>(183)</u>

Note:

Pensions – defined contribution plans

Employees of the Group companies in the PRC are required to participate in defined contribution retirement schemes administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employee's salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees.

Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees.

5 OTHER GAINS, NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Additional deduction of value-added tax	–	3,771
Government grants (Note)	608	715
Loss on disposal of property, plant and equipment	(35)	–
Others	50	–
	<u>623</u>	<u>4,486</u>

Note: Government grants represent subsidies received by the Group from the local government in the PRC. There are no unfulfilled conditions or contingencies relating to the grants.

6 FINANCE COSTS – NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
<i>Finance income</i>		
Interest income from bank deposits	40	183
<i>Finance costs</i>		
Interest expenses on borrowings	(3,522)	(2,482)
Interest expenses on lease liabilities	(167)	(184)
	<u>(3,689)</u>	<u>(2,666)</u>
Finance costs – net	<u>(3,649)</u>	<u>(2,483)</u>

7 INCOME TAX EXPENSE

(a) Cayman Island and BVI Income Tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI.

(b) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group did not have any estimated assessable profit subject to Hong Kong profits tax during the years ended 31 December 2024 and 2023.

(c) PRC Enterprise Income Tax (“EIT”)

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The general enterprise income tax rate in the PRC is 25%.

Shenzhen Bright Future Technology Company Limited approved as the “High and New Technology Enterprise” (“**HNTE**”) in 2018 and renewed it in 2021, and subject to a reduced preferential EIT rate of 15% for 3-year period from 2021 to 2023 according to the applicable tax preference applicable to the HNTE.

Shenzhen Lindu Technology Company Limited (“**Shenzhen Lindu**”) approved as the HNTE in 2022 and was subject to a reduced preferential EIT rate of 15% for 3-year period from 2022 to 2024 according to the applicable tax preference applicable to the HNTE.

(d) **PRC Withholding Tax (“WHT”)**

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the Mainland of China to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% withholding tax.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax	1,030	6,578
Deferred income tax	235	162
Income tax expense	1,265	6,740

8 **(LOSSES)/EARNINGS PER SHARE (EXPRESSED IN RMB CENTS PER SHARE) – BASIC AND DILUTED**

(a) **Basic (losses)/earnings per share**

	Year ended 31 December	
	2024	2023
(Loss)/profit attributable to owners of the Company (RMB'000)	(6,494)	14,812
Weighted average number of ordinary shares in issue (thousands)	570,829	480,781
Basic (losses)/earnings per share (in RMB cents)	(1.14)	3.08

(b) **Diluted earnings per share**

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 in respect of a dilution as the impact of the employee incentive plan outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume all dilutive potential ordinary shares. Diluted earnings per share for the year ended 31 December 2023 are as below:

	Year ended 31 December 2023
Profit attributable to owners of the Company (RMB'000)	14,812
Weighted average number of ordinary shares in issue (thousands)	480,781
Adjustments of employee incentive plan (thousands)	1,215
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (thousands)	481,996
Diluted earnings per share (in RMB cents)	3.07

9 DIVIDENDS

The board does not recommend a final dividend at the year ended 31 December 2024 (2023: Nil).

10 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(a) Trade receivables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables – third parties	299,003	285,290
Allowance	(5,275)	(3,145)
	<u>293,728</u>	<u>282,145</u>

As at 31 December 2024 and 2023, the trade receivables were denominated in RMB. Movements on the Group's loss allowance of trade receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	3,145	1,833
Impairment provision	2,130	1,312
At the end of the year	<u>5,275</u>	<u>3,145</u>

The Group normally allows a credit period of 30 to 150 days to its customers. Aging analysis of the gross trade receivables as at 31 December 2024 and 2023, based on date of recognition, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Aging		
Up to 3 months	206,752	235,732
3 to 6 months	69,693	41,245
6 months to 1 year	16,074	7,026
1 to 2 years	5,477	757
Over 2 years	1,007	530
	<u>299,003</u>	<u>285,290</u>

As at 31 December 2024, there is no trade receivable amounts (2023: RMB3,351,000) was pledged to a financial institution to secure a borrowing as set out in note 11.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

(b) Deposits, prepayments and other receivables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Prepayments to media publishers and advertising agents	80,034	82,860
Loans to employees (<i>Note (i)</i>)	8,000	11,000
Rental and other deposits	32,873	37,935
Loan to a related party	2,201	2,141
Value-added tax recoverable	2,848	1,565
Others	3,867	2,761
Loss allowance	(825)	(990)
	128,998	137,272
Non-current deposits and prepayments	(10)	(10)
	128,988	137,262

Note:

- (i) Loans to employees represent housing loans to certain employees (including a loan of RMB1,500,000 to a member of key management). These loans are unsecured and to be repaid in 1 year from the inception date of the loan. Loan amounted to RMB7,500,000 is interest-free and loan amounted to RMB500,000 bears interest rate of 3.4% per annum.

Movements on the Group's loss allowance of other receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	990	1,397
(Reversal of)/provision of impairment	(165)	76
Amount written off	–	(483)
At the end of the year	825	990

(c) Net impairment losses on financial assets

Net impairment losses on financial assets recognised in the consolidated statement of comprehensive income during the year ended 31 December 2024 comprised the following:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables	2,130	1,312
Other receivables	(165)	76
	1,965	1,388

11 BORROWINGS

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Secured bank borrowings	<u>64,510</u>	<u>31,450</u>
Current		
– Secured bank borrowings	2,949	39,350
– Guaranteed bank borrowings	15,740	8,300
– Other borrowings	<u>–</u>	<u>3,000</u>
	<u>18,689</u>	<u>50,650</u>
	<u>83,199</u>	<u>82,100</u>

As at 31 December 2024, the Group's bank borrowings bear interest rates from 2.80% to 4.50% per annum (31 December 2023: 3.85% to 5.20%).

The maturity of borrowings is as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	18,689	50,650
Between 1 and 2 years	29,410	2,040
After 2 years	<u>35,100</u>	<u>29,410</u>
	<u>83,199</u>	<u>82,100</u>

The pledge and guarantee related to borrowings is as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Secured by the pledge of Mr. Dong's residence and Ms. Gao's residence	36,009	37,310
Secured by the pledge of residence of Mr. Dong and Mr. Shen Ming ("Mr. Shen") and guaranteed by Mr. Dong, Ms. Gao and Mr. Shen	31,450	33,490
Secured by a trade receivable from a third party	–	3,000
Guaranteed by Mr. Dong	10,000	2,700
Guaranteed by Mr. Dong and two subsidiaries of the company	5,740	–
Guaranteed by Mr. Yang and Mr. Dong and two subsidiaries of the company	<u>–</u>	<u>5,600</u>
	<u>83,199</u>	<u>82,100</u>

12 TRADE PAYABLES

The credit period granted by suppliers generally range from 30 to 150 days. The aging analysis of trade payable, based on the receipt of services, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Aging		
Up to 3 months	15,928	57,257
3 to 6 months	16,801	9,948
Over 6 months	15,047	10,667
	<u>47,776</u>	<u>77,872</u>

13 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Accrued staff costs	12,392	12,407
Value-added tax and surcharge	5,494	8,212
Research and development payables	–	2,271
Deposits	3,432	888
Accrued auditors' remuneration	1,000	910
Others	1,583	600
	<u>23,901</u>	<u>25,288</u>

14 LOANS FROM RELATED PARTIES

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Mr. Dong (<i>Note a</i>)	56,232	57,082
Mr. Yang (<i>Note b</i>)	33,858	33,133
	<u>90,090</u>	<u>90,215</u>

Notes:

- (a) As at 31 December 2024, the loans were mainly financed by Vast Ocean Limited and Brilliant League Limited, which are wholly-owned by Mr. Dong. The loans from Mr. Dong included an aggregate amount of RMB33,883,000 which was transferred from dividend payable to Mr. Dong, and were unsecured, interest free and repayable on demand.
- (b) As at 31 December 2024, the loans were mainly financed by Highland Triumph Limited, which is wholly owned by Mr. Yang, and were unsecured, interest free and repayable on demand.

OTHER INFORMATION

MAJOR CUSTOMERS AND SUPPLIERS

Revenue attributable to the Group's five largest customers and the largest customer accounted for approximately 47% and 13%, respectively, of the Group's total revenue for the year ended 31 December 2024. Purchases attributable to the Group's five largest suppliers and the largest supplier accounted for approximately 55% and 15%, respectively, of the costs of services for the year ended 31 December 2024.

None of the Directors, nor any of their close associates (as defined in the Listing Rules), nor any shareholders (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital), had material interest in the Group's five largest customers or suppliers during the year ended 31 December 2024.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2024, the Group mainly carried out operations in the PRC with most transactions settled in Renminbi. Therefore, the Directors considered that there was no material foreign exchange exposure to the Group. Currently, the Group does not have foreign currency hedging policy but the Group's management continuously monitors foreign exchange exposure.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The Company was successfully listed on the Main Board of the Stock Exchange on 11 November 2020, with net proceeds from the Share Offer (after deducting underwriting commissions and relevant expenses payable by the Company) amounting to approximately HK\$86.0 million. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus.

Net proceeds from the Share Offer had been fully utilised during the year ended 31 December 2022 in accordance with the purposes as set out in the Prospectus.

USE OF NET PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 27 December 2023 (after trading hours), the Company entered into two subscription agreements (the “**Subscription Agreements**”) with Little wisdom Limited and BridgeDo Holding Limited (collectively, the “**Subscribers**”) respectively, pursuant to which the Subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue an aggregate of 100,000,000 new shares of the Company (the “**Subscription Shares**”) under general mandate at the subscription price of HK\$0.145 per Subscription Share (the “**Subscriptions**”). The aggregate nominal value of the Subscription Shares is HK\$10,000,000. The subscription price of HK\$0.145 per Subscription Share represented: (i) a discount of approximately 12.12% to the closing price of HK\$0.165 per Share as quoted on the Stock Exchange on 27 December 2023, being the date of the Subscription Agreements; and (ii) discount of approximately 16.18% to the average closing prices of approximately HK\$0.173 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements. The Directors were of the view that the Subscriptions are in the interests of both the Company and its shareholders as a whole and the Subscriptions represent an opportunity to raise capital for the Company and improve the financial position of the Group for its future development and prospects.

The Subscriptions have been completed on 22 January 2024 and upon completion, Little wisdom Limited has become a substantial Shareholder of the Company as defined in the Listing Rules, being interested in 71,020,000 Shares, which represents approximately 11.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The gross proceeds from the Subscriptions amount to approximately HK\$14.5 million and the net proceeds, after deduction of professional fees and all relevant expenses, amount to approximately HK\$13.5 million. The net proceeds were intended to be applied for (i) potential future acquisitions or projects; and (ii) replenishment of the general working capital of the Group. For further details, please refer to the announcements of the Company dated 27 December 2023 and 22 January 2024.

As at 31 December 2024, the net proceeds from the Subscriptions had been fully utilised in accordance with the intended use of proceeds as previously disclosed in the aforementioned announcements. Breakdown of the use of net proceeds from the Subscriptions during the Reporting Period is set out in the following table:

Expected use of net proceeds	Intended use of the net proceeds <i>HK\$ million</i>	Amount of net proceeds utilised during the Reporting Period <i>HK\$ million</i>	Amount of net proceeds utilised up to the Reporting Period <i>HK\$ million</i>	Unutilised net proceeds as at 31 December 2024 <i>HK\$ million</i>
For potential future acquisitions or projects	5.0	5.0	5.0	0.0
For replenishment of the general working capital of the Group	8.5	8.5	8.5	0.0
Total	13.5	13.5	13.5	0.0

DIVIDEND

The Board did not recommend the payment of any dividend for the year ended 31 December 2024 (2023: nil).

ANNUAL GENERAL MEETING

The AGM is scheduled to be held on Thursday, 22 May 2025. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting (“AGM”), the register of members of the Company will be closed from Friday, 16 May 2025 to Thursday, 22 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 15 May 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the CG Code as its own code of corporate governance. Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices. Save for the deviation disclosed below, in the opinion of Directors, the Company has complied with all the code provisions as set out in the CG Code during the year ended 31 December 2024 except code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of both the chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Dong was appointed as chief executive officer and has also assumed his responsibilities as chairman of the Board ("**Chairman**"), as well as being the chairman of the Nomination Committee. Throughout the business history of the Company, Mr. Dong has been the key leadership figure of the Group, and being primarily involved in the strategic development, overall operational management and major decision making of the Group. Taking into account the need for continued implementation of the Company's business plans, the Directors consider that at the current stage of development of the Group, vesting the roles of both Chairman and the chief executive officer in Mr. Dong is beneficial to, and in the interests of the Company and its shareholders as a whole. As at the date of this announcement, the Board comprises four executive Directors and three independent non-executive Directors, and therefore power and authority are sufficiently maintained in its composition. The Board will review the current structure from time to time and shall make necessary changes when appropriate and inform the Shareholders accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the Model Code.

Having made specific enquiries with all the Directors, each of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code for the year ended 31 December 2024 and the Board was of the view that the Model Code has been fully complied with during the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the Subscriptions, during the Reporting Period, Trustee of the share award scheme (the "**Scheme**") purchased a total of 14,098,000 Shares from an independent third party at the total consideration of approximately HKD6,499,178 pursuant to the terms and conditions of the Scheme and the Trust Deed. Save as disclosed in this announcement, neither the Company nor its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2024.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. As at the date of this announcement, the Audit Committee currently consists of three independent non-executive Directors, namely Mr. LIU Kin Wai, Mr. WEI Hai Yan and Mr. LIN Sen. Mr. LIU Kin Wai is the chairman of the Audit Committee.

The Audit Committee has considered and reviewed the Group's annual results for the year ended 31 December 2024, the accounting principles and practices adopted by the Company and the Group, and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 December 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

SCOPE OF WORK OF ZHONGHUI ANDA

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Zhonghui Anda CPA Limited ("**Zhonghui Anda**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Zhonghui Anda in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Zhonghui Anda on the preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

Change of company secretary and authorised representative

Ms. CHAN Charmayne replaced Mr. TSO Ping Cheong Brain as the company secretary of the Company, an authorised representative under Rule 3.05 of the Listing Rules, an authorized representative for accepting service of process and notice on behalf of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Rule 19.05(2) of the Listing Rules, with effect from 13 February 2025.

Save as disclosed above, the Board is not aware of any significant event occurred that materially affect the Group's financial condition or operation following the Reporting Period and up to the date of this announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT

This annual results announcement was published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.btomorrow.cn>). The annual report of the Group for the year ended 31 December 2024, which contains all the information required under the Listing Rules, will be despatched to shareholders and available on the above websites in mid April 2025.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“advertisers”	any persons, companies, organisations which advertise their brands, products (or services) through the placing of mobile advertisements, (e.g. brand owners, advertising agents, mobile app developers) and as the original initiators of the whole value chain for mobile advertising
“advertising”	any communication, usually paid-for, with the intention of bringing a product (or service) to the attention of potential and current customers
“AIPL”	acronym of “Awareness”, “Interest”, “Purchase” and “Loyalty”, the key tenets forming the Group’s strategic agenda and business model
“algorithm(s)”	a set of well-defined instructions in sequence to solve the problem in programming
“Audit Committee”	the audit committee of the Board
“big data”	a combination of structured, semi-structured and unstructured data collected by organisations that can be mined for information and used in machine learning projects, predictive modeling and other advanced analytics applications
“blockchain”	a decentralised and distributed digital ledger that is used to record transactions across many computers
“Board” or “Board of Directors”	the board of directors of the Company
“BVI”	the British Virgin Islands

“CG Code”	Corporate Governance Code contained in Appendix C1 of the Listing Rules
“cloud-based”	applications, services or resources made available to users on demand via the internet from a cloud computing provider’s server with access to shared pools of configurable resources
“Companies Act”	The Companies Act, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Bright Future Technology Holdings Limited (辉煌明天科技控股有限公司) (formerly known as “Bright Future Science Holdings Limited”), an exempted company incorporated in the Cayman Islands with limited liability on 8 November 2018
“CRM” or “customer relationship management”	technology or system(s) for managing business relationships and interactions with customers and potential customers which helps businesses to stay connected to customers, streamline processes, and improve profitability
“DMP(s)” or “Data Management Platform(s)”	a platform with built-in computer software, tools and systems which allow for the use of algorithms to selectively extract non-confidential information from the public domain and to analyse the information and group or classify the information in a useful way
“Employee”	any employee (including without limitation any executive director) of any member of the Group
“ERP” or “enterprise resource planning”	a business process management software which enables an organization to utilise a system of integrated applications to manage its business and automate many back office functions related to finance, technology services and human resources
“Group”, “we”, “our” or “us”	our Company and its subsidiaries or, where the context requires, in respect of the period before our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HKFRS”	Hong Kong Financial Reporting Standards

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“industry verticals”	specific industries in which vendors offer goods and services to group of customers with specialised needs
“LinkBriAI”	the Group’s proprietary full service intelligent marketing management platform originally named as the “LinkDoAI” system, and upgraded and renamed as “LinkBriAI” in the first half of 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange made by the Stock Exchange 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 the GEM of the Stock Exchange
“Model Code”	the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 of the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“platform(s)”	the environment in which a piece of software is executed
“platform economy”	tech-driven online marketplaces or businesses which allow consumers and businesses to connect, share resources or sell and purchase of products or services
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 28 October 2020
“Reporting Period”	the year ended 31 December 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company

“Share Offer”	the public offering and placing of Shares
“shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“stock video(s)”	generic video clips, outtakes or videos created with or without a particular project in mind that can be used for other productions
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“top media”	major online media publishers such as popular search engines and social media that offer advertisement inventories through their own advertising placement systems
“Trust Deed”	a trust deed entered into between the Company and the Trustee on 7 May 2021 (as restated, supplemented and amended from time to time)
“Trustee”	Futu Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being declared in this Trust Deed
“vertical dramas”	a kind of vertical screen storytelling video derived from short videos, with the length of a single episode ranging from a few tens of seconds to about fifteen minutes
“virtual token(s)”	a digital asset designed to work as a medium of exchange for advertisement inventories
“Z-Generation”	the cohort of people who were born between 1996 and 2010, and in China, being its first generation of digital natives who are instinctively familiar with technology as a form of communication, entertainment and enabler of commerce
“%”	per cent.

The English names of the PRC established companies or entities and the PRC laws and regulations mentioned herein are translation from their Chinese names. If there is any inconsistency, the Chinese names shall prevail.

By Order of the Board
Bright Future Technology Holdings Limited
DONG Hui

Chairman, Chief Executive Officer and Executive Director

Shenzhen, PRC, 27 March 2025

As at the date of this announcement, the executive Directors of the Company are Mr. DONG Hui, Mr. YANG Dengfeng, Ms. GAO Yuqing and Mr. CEN Senhui, and the independent non-executive Directors of the Company are Mr. LIU Kin Wai, Mr. WEI Hai Yan and Mr. LIN Sen.