

Bright Future Technology Holdings Limited

輝煌明天科技控股有限公司

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code : 1351

AI

2024

Annual Report

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. DONG Hui (*Chairman & Chief Executive Officer*)
Mr. YANG Dengfeng
Ms. GAO Yuqing
Mr. CEN Senhui

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Kin Wai
Mr. WEI Hai Yan
Mr. LIN Sen

AUDIT COMMITTEE

Mr. LIU Kin Wai (*Chairman*)
Mr. WEI Hai Yan
Mr. LIN Sen

REMUNERATION COMMITTEE

Mr. LIN Sen (*Chairman*)
Mr. YANG Dengfeng
Mr. LIU Kin Wai

NOMINATION COMMITTEE

Mr. DONG Hui (*Chairman*)
Mr. WEI Hai Yan
Mr. LIN Sen

COMPANY SECRETARY

Ms. CHAN Charmayne (appointed on 13 February 2025)
Mr. TSO Ping Cheong Brian
(resigned on 13 February 2025)

AUTHORISED REPRESENTATIVES

Mr. YANG Dengfeng
Ms. CHAN Charmayne (appointed on 13 February 2025)
Mr. TSO Ping Cheong Brian
(resigned on 13 February 2025)

AUDITOR

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Certified Public Accountant
Registered Public Interest Entity Auditor
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CORPORATE INFORMATION

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STOCK CODE

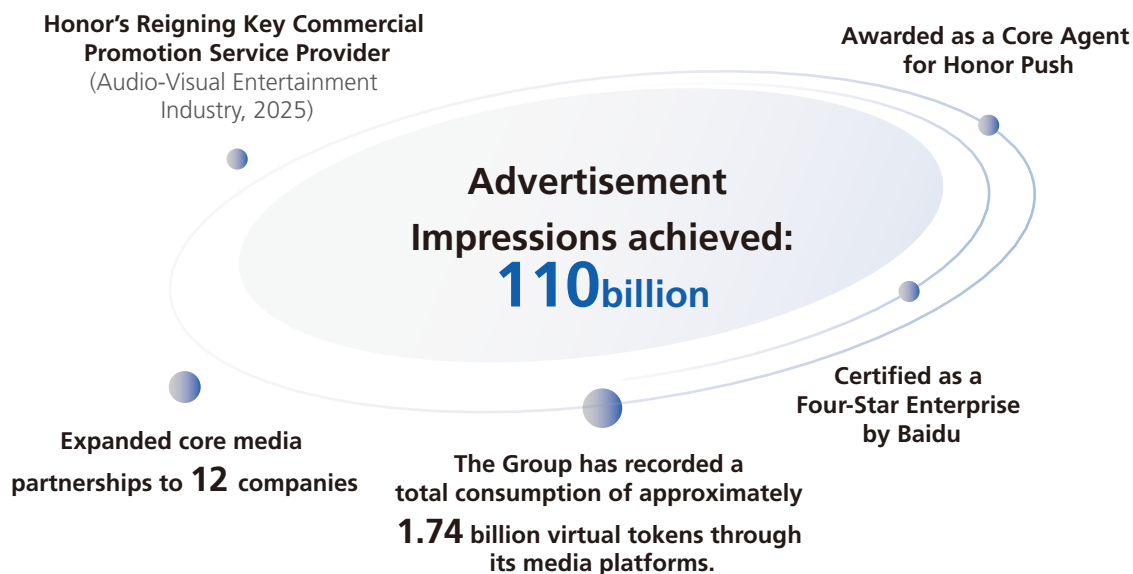
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COMPANY WEBSITE ADDRESS

www.btomorrow.cn

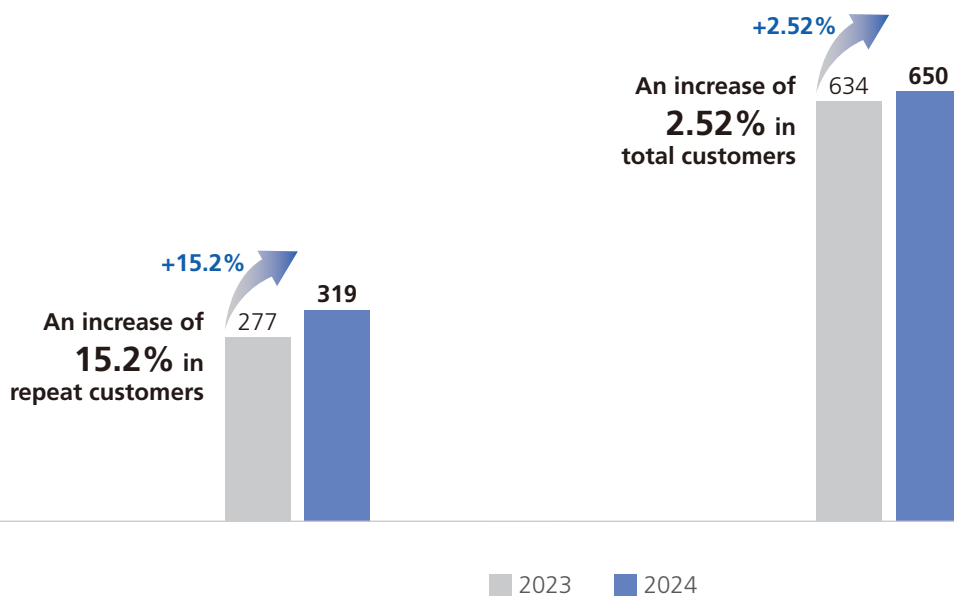
FINANCIAL PERFORMANCE HIGHLIGHTS

Refined core media coverage with sustained and stable advertising consumption and exposure



Enhanced returning customer loyalty and diversified customer base

Unit: customers



CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2024, we experienced a stable and moderate business growth in the face of a complex and volatile environment. While considerable opportunities were presented with an improved advertiser confidence and technological advancement especially Artificial Intelligence-Generated Content (“AIGC”) technologies, the advertising industry was still navigating various challenges, including market concentration, fierce competition, hesitant consumer spending and economic pressures. In 2024, we actively responded to these challenges and had been continue optimizing our cost structure. We remain committed to taking proactive measures to stimulate internal growth momentum and ensure steady development. Our goal is to achieve a stronger rebound in 2025.

2024 PERFORMANCE HIGHLIGHTS

In 2024, the global economy struggled to recover amid profound changes. And even though growth in China's economy has gradually been picking up, the Chinese advertising industry still faced significant challenges. Consumer spending had been growing continuously, yet there has been a sea change in the consumer mindset, which is driving an overhaul in consumer behavior in China, and posing challenges for the advertising industry. Businesses had to adapt, innovate and refine their strategies to align with such shifting consumer behavior. Meanwhile, 2024 was also a year of rapid growth for AIGC technology and we had invested more in such technologies with a view to improve customer experiences and business operation, and optimize costs. We also continued to enhance our advertising strategies with the use of AIGC technology and updated short video content and formats throughout 2024. Thus, we achieved business growth and recorded a revenue in 2024 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%. However, despite a growth in revenue in 2024, a loss attributable to the owners of the Group of approximately RMB6.5 million was 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 us to our 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 we operated in 2024, as well as a decrease in government grants. We 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 Chinese advertising market showed signs of recovery and advertisers gained more confidence in 2024. Yet, advertisers continued to be mindful about the use of their marketing budgets and they expected better campaigns results, which had intensified competition, pushing marketing companies to deliver better campaign outcomes while remaining price-sensitive. To keep up with advertisers' rising standards, we optimized our operational efficiency and costs, and adapted to industry shifts, such as expanding our AIGC capabilities to improve our content creation ability. We have also proactively explored new media channels and working with customers in the short-video industry, which continued to dominate the Chinese advertising market. In 2024, AIGC production of short videos accounted for approximately 32% of our 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).

CHAIRMAN'S STATEMENT

Ever since our inception, we have remained dedicated to providing customized marketing support and content strategies to our customers. This commitment has proven fruitful as our innovative strengths and excellent service have resulted in strong customer loyalty. Even during difficult times, we have excelled in retaining customers, with an increasing number of them returning for our services. This has led to a rise in the number of repeat customers to 319 in 2024 as compared to 277 in 2023.

We have made consistent progress in providing innovative, diverse, adaptive, and holistic solutions to our customers. Our focus has been on delivering cost-effective solutions that align with the evolving marketing priorities and budget concerns of our customers. This dedication to service excellence has remained a priority for us. As a result, by the end of the Reporting Period, our impression of advertisements (i.e. the total number of views generated from our advertisements) has reached approximately 110.00 billion (2023: approximately 131.08 billion). We will continue to optimize our cost structure while pursuing innovation, rolling out upgrades and new functions at the right time.

Despite enhanced competition and the challenging operating environment, our proven ability to leverage expansive data insights, employ solid predictive analytics, utilize cutting-edge technology and harness practical experience of our seasoned advertising optimizers to consistently provide our clients with optimal customized solutions, has landed us awards such as the "Excellent Service Provider" (優秀服務商) for HONOR Commercial Promotion (榮耀商業推廣平台), a promotion platform for its pan-ecological partners provided by 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, covering HONOR's terminal mobile phone market, desktop resources and other high-quality global traffic. We have 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 recognize exceptional enterprises, driving growth within the Internet advertising industry ecosystem.

Building on these achievements, including our ability to maintain a stable base of customers while adapting to industry shifts and market changes, we are well-poised to seize any upcoming opportunities with our commitment to strengthen our foundations through technological integration.

BUSINESS OUTLOOK FOR 2025

Whilst the Chinese market economy and advertising industry are slowly recovering with technological advancements like AIGC opening up new marketing possibilities, looking ahead, 2025 continues to be a year full of challenges and we will be attentive to and be prepared to snatch up any business opportunities that emerge.

On the technological front, noting the great potential of AIGC technology in the advertising industry, we will continue to integrate AIGC services into our system, working alongside our existing cloud-based databases, such integration improves our operational efficiency and cost-effectiveness. On the innovative front, the integration of AIGC services into our operations enhances our content creation ability. The use of AI algorithms also helps us to analyze data, improve ad targeting, suggest creative content and optimize decision-making processes. On the operations front, AIGC services assist our customers in enhancing marketing strategies and reaching target audiences effectively, which leads to more engaging campaigns, better results and increased customer satisfaction.

CHAIRMAN'S STATEMENT

In the year 2025, to strengthen our competitive edge, our primary focus will be on deepening the application of AIGC technology for offering solutions to our customer as well as optimizing our internal operations. Also, as we witness a shift in the marketing landscape, it is believed that tiers 1 and 2 cities will become the main battlegrounds amid changing customer behaviors and we aim to target our marketing campaigns towards these cities, leveraging our service experience in local life and real-time e-commerce. Furthermore, to adapt to the evolving market demands, we will also aim to implement tiered advertising strategies: premium content for brand building for top-tier media platforms, vertical market engagement for mid-tier (i.e. KOLs), and performance-drive advertising campaigns that aim to achieve measurable results. By embracing AIGC technology and implementing tiered advertising strategies, we are setting ourselves up for future growth and success.

APPRECIATION

On behalf of the Board, I would like to express our heartfelt gratitude to our valued shareholders, customers, suppliers and business partners for their continuous trust, support and confidence in our work. We hope that we will continue working together to go through the challenges and achieve new developments in the coming year. Last, but certainly not least, I would like to acknowledge and extend our sincerest appreciation to our management team for their collective insight and tireless commitment which have been instrumental in enabling us to overcome challenges and embark on new ventures, and our employees for their hard work and dedication in supporting the Group's operations.

Dong Hui

Chairman of the Board and Chief Executive Officer

27 March 2025

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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%.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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).

MANAGEMENT DISCUSSION AND ANALYSIS

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 (模块化) (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 co-operation 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB'000	2023 RMB'000
Revenue	1,039,223	892,433
Cost of services	(977,924)	(811,888)
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	623	4,486
Operating (loss)/profit	(1,580)	24,035
Finance income	40	183
Finance costs	(3,689)	(2,666)
Finance costs – net	(3,649)	(2,483)
(Loss)/profit before income tax	(5,229)	21,552
Income tax expense	(1,265)	(6,740)
(Loss)/profit for the year	(6,494)	14,812

MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB'000	2023 RMB'000
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	1,039,223	892,433

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and financial 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), which were mainly denominated in Hong Kong dollars and Renminbi. 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 increase of the gearing ratio was mainly due to the decrease in cash and cash equivalents.

The Group mainly utilised internal cash flows from operating activities and borrowings to satisfy its working capital requirements during the year ended 31 December 2024.

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, and are all denominated in Renminbi. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

PROSPECTS

Although China's economy and advertising industry are gradually recovering, with technologies like AIGC creating new marketing opportunities, 2025 remains a challenging year and the advertising sector still faces major hurdles. Consumer spending has improved, but shifting consumer values are reshaping spending behavior, creating new challenges for advertisers, who are now more cautious with marketing budgets, demanding higher campaign performance, which has intensified competition. As a result, marketing companies must deliver better results while maintaining cost efficiency.

Building upon its competitive strengths, its existing network and reach, as well as consumer stickiness, the key initiatives outlined below underscore the Group's sharpened focus on advancing the development and utilization of AIGC technology in light of tight advertising spending and intensified competition. These initiatives also highlight the strategic deployments that support the Group in achieving its goals.

MANAGEMENT DISCUSSION AND ANALYSIS

General performance: attaining operational and cost efficiencies

In response to the evolving business landscape and macro market conditions, the Group has placed greater emphasis on operational efficiency and cost optimization, which involves the integration of AIGC technology into its LinkBriAI system. By integrating this technology with the Group's existing cloud-based databases, a more comprehensive content management system has been established with improved organization, storage and retrieval, ensuring seamless access and better resource optimization. In particular, empowered by leading AI technologies like Deepseek, which has transformed market expectations with its low-cost and open-source solutions, the barriers to adopt AI technologies by companies have been substantially lowered. By applying such technologies across its business operations, the Group has automated repetitive tasks, reduced dependency on manual labor, and streamlined the content production process, particularly in image and video processing, thereby further optimizing its operational costs while maintaining high production quality and standards. The Group will continue to deepen its implementation of AIGC technologies across all aspects of its business operations, from personnel management to post-production of creative content. By leveraging the power of AIGC technologies, the Group is strengthening its market position for the next era of advertising where AI-driven campaigns, hyper-personalized content and real-time optimization will define market leadership.

Innovative front: unleashing innovative potential

The development of AIGC technologies brings improvements in various aspects of the advertising industry, including user profiling, smart recommendations, content creation, data analysis and product design, resulting in enhanced effectiveness and efficiency across different stages. The Group has thus been incorporating AIGC technologies across its operations to improve innovation. For instance, the Group has utilized generative AI platforms to generate visual contents, which have significantly enhanced creative output while reducing production time. The Group has also made use of intelligent assistants to streamline narrative construction, including scriptwriting, thereby allowing quicker iteration and data-driven creative refinement.

The Group also improved its employees' skills in using AIGC tools through internal training programs, particularly some of the emerging short-video formats, with a view to strengthen the effectiveness and quality of content production within the Group.

Technologies like AIGC will continue to empower the advertising industry in the long run. As such, the Group will continue to monitor the market for technological updates and iterations, and further upgrade its LinkBriAI system. As the Group's LinkBriAI system boasts of more comprehensive, sophisticated and technologically advanced infrastructure when pitted against most of its peers in the market, thus by offering such fully-customizable marketing solutions at affordable prices, the Group is well geared up to gain a strong foothold in the recovering market.

Operations front: develop AI-driven operations

The Group recognizes that AI technology represents a valuable opportunity to elevate its business operations and enhance customer value. By integrating AIGC technologies strategically, including adopting AI chatbots, the Group has improved not only its internal operational efficiency, but also enabled its customers to generate predictive engagement analytics and automate personalized content across channels. The Group's integration of such technologies have also delivered measurable performances for its customers in terms of precise audience targeting and campaign engagement rates. As AI technology continues to develop, the Group will continue to keep pace with the latest industry developments by investing further in AI applications, strengthening alliances with mainstream media platforms and technology partners to address the evolving market needs, as well as diversifying its service offerings through solutions that combine its proprietary AI systems with cutting-edge technologies. By doing so, the Group not only keeps pace with the industry evolution but also actively shapes its trajectory.

MANAGEMENT DISCUSSION AND ANALYSIS

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 report.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group does not have other plans for material investments or additions of capital assets.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. DONG Hui (董暉) ("Mr. Dong"), aged 38, was appointed as Director on 8 November 2018, and was re-designated as executive Director, Chairman of the Board and chief executive officer on 25 March 2019, and is primarily responsible for supervising overall strategic development and planning and making major decision for the Group. Mr. Dong is the chairman of the nomination committee of the Company.

Mr. Dong is one of the founders of the Group. Mr. Dong is a party acting in concert with Mr. YANG Dengfeng, executive Director of the Company, and he is the spouse of Ms. GAO Yuqing, executive Director of the Company.

Mr. Dong has over 10 years of experience in mobile internet industry. Mr. Dong worked as a supervisor of the developing team at Digu Information Technology (Shenzhen) Co., Ltd* (嘀咕信息技術(深圳)有限公司) from May 2010 to April 2011. Mr. Dong then served as the software engineer and the senior product manager of Tencent Technology (Shenzhen) Company Limited, a subsidiary of Tencent Holdings Limited from April 2011 to August 2015, and was responsible for developing mobile payment and mobile app related commercial works.

From August 2015 to December 2015, Mr. Dong was the chief operating officer of Shenzhen Zhuazhua Technology Co., Ltd. (深圳爪爪科技有限公司), which primarily engaged in the service for pets and pets-related services and products.

Mr. Dong received a bachelor degree in Electronic Commerce from Wuhan Technology Institute (武漢科技學院) (now known as Wuhan Textile University (武漢紡織大學)) in June 2009.

Mr. YANG Dengfeng (楊登峰) ("Mr. Yang"), aged 42, was appointed as Director on 8 November 2018. Mr. Yang was re-designated as executive Director and chief technology officer on 25 March 2019, and is primarily responsible for overall strategic planning and supervising the technological development of the Group. Mr. Yang is a member of the remuneration committee of the Company.

Mr. Yang was one of the founders of the Group. Mr. Yang is a party acting in concert with Mr. DONG Hui, executive Director, Chairman and chief executive officer of the Company.

Mr. Yang has over 15 years of experience in mobile internet industry. Mr. Yang worked as the programmer for the mobile internet in Tencent Technology (Shenzhen) Company Limited, a subsidiary of Tencent Holdings Limited, from July 2006 to June 2007, during which he was responsible in research and development of internet safety system and data mining software. Mr. Yang joined Shenzhen Tencent Computer System Co., Ltd.* (深圳市騰訊計算機系統有限公司), a subsidiary of Tencent Holdings Limited, in December 2008 and worked as vice supervisor for mobile payment system development project, which he was primarily responsible for strategic development and management of mobile internet payment platform, including researching for new products and services and functions to be provided via these mobile internet payment platform, until he left the position in May 2015. Mr. Yang was the chief executive officer of Shenzhen Zhuazhua Technology Co., Ltd. (深圳爪爪科技有限公司) from April 2015 to December 2015.

Mr. Yang received a bachelor degree in Information Technology System Management from Heilongjiang University (黑龍江大學) in July 2006.

DIRECTORS AND SENIOR MANAGEMENT

Ms. GAO Yuqing (高雨晴) (“Ms. Gao”), aged 35, joined the Group in December 2015 as Director and one of the founders, later promoted to the position of head of the performance-based advertising team. Ms. Gao was later appointed as an executive Director on 25 March 2019. Ms. Gao is primarily responsible for overseeing management of the Group. Ms. Gao was a commerce manager at Beijing Qihu Keji Co. Ltd. (北京奇虎科技有限公司), a subsidiary of 360 Security Technology Inc. (三六零安全科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601360.SH), and a company principally engages in the business of development of internet safety and protection software and the provision of anti-virus services, from July 2011 to November 2015. Ms. Gao received a bachelor degree in Software Engineering from Tianjin University of Agriculture (天津農學院) in June 2011. Ms. Gao is the spouse of Mr. DONG Hui, executive Director, Chairman and chief executive officer of the Company.

Mr. CEN Senhui (岑森輝) (“Mr. Cen”), aged 36, joined the Group in December 2015 and has been a chief operating officer. Mr. Cen was re-designated as executive Director and chief operating officer on 25 March 2019. He is also a Director of Hangzhou Bright Future Technology Company Limited* (杭州輝煌明天企業管理有限公司). Mr. Cen is primarily responsible for overall operational management and overseeing daily operation of the Group. Mr. Cen has accumulated over 10 years of experience in information technology industry. Mr. Cen worked as a project manager of Nokia Beijing branch (諾基亞通信系統技術(北京)有限公司) from June 2011 to October 2014, which he was responsible to the research and development of 4G mobile network, as well as the tender for technological projects. Mr. Cen then worked as Channel Manager (渠道經理) at Hangzhou Hikvision Digital Technology Co., Ltd. (杭州海康威視數字技術股份有限公司), a company principally engages in video-centric IoT (internet of things) services, integrated security service and big data services, from October 2014 to April 2015. Later, Mr. Cen worked as the marketing director of Shenzhen Zhuazhua Technology Co., Ltd. (深圳爪爪科技有限公司) from May to December 2015.

Mr. Cen received a bachelor degree in Electrical Engineering and Automation from Hangzhou Dianzi University (杭州電子科技大學) in June 2011 and obtained his master’s degree in business administration from Tsinghua University (清華大學) in June 2023.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Kin Wai (劉健威) (“Mr. Liu”), aged 43, is an independent non-executive Director of the Company. Mr. Liu has been appointed as an independent non-executive Director of the Company on 22 August 2019 with effect from the listing of the Company’s shares on the main board of the Stock Exchange. Mr. Liu is primarily responsible for providing independent opinion and judgement to the Board. Mr. Liu is the chairman of the audit committee and a member of the remuneration committee of the Company.

Mr. Liu received his bachelor’s degree in Accounting from City University of Hong Kong in 2003 and completed China Environmental Industry Senior Manager Training Programme (中國環境產業高級經理人研修班) from Tsinghua University (清華大學) in 2016. Mr. Liu is a member of the Hong Kong Institute of Certified Public Accountants since 2008 and has more than 20 years of experience in assurance services and financial, capital management and company secretarial works. From 2004 to 2015, he worked in an international assurance firm with last position as a senior manager. From May 2015 to September 2016, he had served as a senior manager of Beijing Enterprises Water Group Limited, a company listed on the Stock Exchange (stock code: 371). From September 2016 to September 2019, he had served as the chief financial officer and the company secretary of Shandong Hi-Speed New Energy Group Limited (formerly known as Beijing Enterprises Clean Energy Group Limited), a company listed on the Stock Exchange (stock code: 1250). From December 2019 to August 2023, he had served as the chief financial officer and the company secretary of Gangyu Smart Urban Services Holding Limited (formerly known as Orient Victory Smart Urban Services Holding Limited), a company listed on the Stock Exchange (stock code: 265).

Mr. Liu is currently the chief financial officer of Fortune Oil Limited and an independent non-executive director of Wine’s Link International Holdings, a company listed on the Stock Exchange (stock code: 8509).

DIRECTORS AND SENIOR MANAGEMENT

Mr. WEI Hai Yan (魏海燕) (“Mr. Wei”), aged 59, is an independent non-executive Director of the Company. Mr. Wei has been appointed as an independent non-executive Director of the Company on 22 August 2019 with effect from the listing of the Company’s shares on the main board of the Stock Exchange. Mr. Wei is primarily responsible for providing independent opinion and judgment to the Board. Mr. Wei is a member of the audit committee and the nomination committee of the Company.

Mr. Wei was a deputy general manager at Jiangsu Boxin Investing & Holdings Co. Ltd. (江蘇博信投資控股股份有限公司) (formerly known as Chengdu Hongguang Industry Co., Ltd.* (成都紅光實業股份有限公司)), a company principally engaged in commodity trading business, from June 1998 to December 2000. Mr. Wei is currently the vice general manager of Shenzhen Headwater Water Treatment Technology Co., Ltd.* (深圳恆通源環保科技有限公司), which he joined the company in December 2000.

Mr. Wei received a bachelor degree in Computer Engineering from Chengdu Electronics Engineering College (成都電訊工程學院) in July 1987 and a master degree of Industrial Management Engineering from University of Electronic Science and Technology of China (中國電子科技大學) in March 1990.

Mr. LIN Sen (林森) (“Mr. Lin”), aged 48, is an independent non-executive Director of the Company. Mr. Lin has been appointed as an independent non-executive Director, the chairman of the remuneration committee and a member of each of the Audit Committee and the Nomination Committee of the Company on 30 May 2023.

Mr. Lin has over 20 years of extensive experience in accounting, auditing, corporate finance and financial management.

Mr. Lin worked as an audit manager in PricewaterhouseCoopers International Limited from February 2001 to November 2006. From June 2017 to April 2019, Mr. Lin served as the chief financial officer of 7Road Holdings Limited (第七大道控股有限公司) (stock code: 797), a company listed on the Stock Exchange. From July 2017 to September 2022, Mr. Lin served as the independent non-executive Director of Crypto Flow Technology Limited (加冕科技有限公司) (formerly known as Loto Interactive Limited) (stock code: 8198), a company listed on the Stock Exchange. From March 2021 to August 2022, Mr. Lin served as the chief financial officer of Shenzhen Thunderstone Technology Co., Ltd.* (深圳雷炎科技有限公司). From June 2021 to January 2025, Mr. Lin served as the independent non-executive Director of Shenzhen Jiang & Associates Creative Design Co., Ltd. (深圳市傑恩創意設計股份有限公司) (stock code: 300668), a company listed on The Shenzhen Stock Exchange. He also currently serves as an independent director of each of Metalpha Technology Holding Limited (stock code: MATH), a company listed on NASDAQ and Pintec Technology Holdings Limited (stock code: PT), a company listed on NASDAQ.

Mr. Lin obtained a bachelor’s degree in international business administration from Central University of Finance and Economics (中央財經大學) in 1998 and a master’s degree of business administration from China Europe International Business School (中歐國際工商學院) in 2011. Mr. Lin is also a Certified Public Accountant in the People’s Republic of China.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The table below shows certain information in respect of the senior management of the Company:

Name	Age	Position	Roles and Responsibilities
Dong Hui (董暉)	38	Executive Director and chief executive officer	Overall strategic development and planning and major decision making
Yang Dengfeng (楊登峰)	42	Executive Director and chief technology officer	Overall strategic planning and supervising technological development of our Group
Gao Yuqing (高雨晴)	35	Executive Director and head of performance-based advertising team	Advise on overall strategic planning of our Group and lead the performance-based advertising team
Cen Senhui (岑森輝)	36	Executive Director and chief operating officer	Overall operational management and overseeing daily operation of our Group
Wu Yang (武洋)	34	Chief financial officer	Overall financial management, financial planning and supervision of internal treasury management of our Group

Please refer to the paragraphs headed “Executive Director” in this section for the biographical details of Mr. Dong, Mr. Yang, Ms. Gao and Mr. Cen.

Ms. WU Yang (武洋) (“Ms. Wu”), aged 34, has been the chief financial officer of the Company since May 2017. Ms. Wu is primarily responsible for the overall financial management, financial planning and supervision of internal treasury management of our Group.

Ms. Wu has more than eleven years of experience in accountancy work. Prior to joining the Group, Ms. Wu was the project manager at Dalian Chunyu Accounting Management Consulting Co., Ltd.* (大連市春雨會計管理諮詢有限公司) from June 2013 to April 2017, which she was responsible for providing auditing and accounting services, as well as consultation services on internal control matters.

Ms. Wu received a bachelor degree of accounting from Jiamusi University (佳木斯大學) in June 2013.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Mr. TSO Ping Cheong Brian (曹炳昌) (“Mr. Tso”), was appointed as the company secretary of the Company (“**Company Secretary**”) on 16 October 2020. Mr. Tso obtained his bachelor’s degree in accountancy from the Hong Kong Polytechnic University in November 2003. He obtained his master’s degree in corporate governance from the Hong Kong Polytechnic University in October 2013. Mr. Tso is currently a practicing and fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and The Hong Kong Chartered Governance Institute (“**HKCGI**”, formerly known as The Hong Kong Institute of Chartered Secretaries). Mr. Tso has over 18 years of experience in accounting and financial management. From September 2003 to December 2008, Mr. Tso worked for Ernst & Young and last held the position of manager and was responsible for the assurance and advisory business services. From December 2008 to May 2010, Mr. Tso worked for Greenheart Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 94), as financial controller. From May 2010 to August 2012, Mr. Tso worked for Maxdo Project Management Company Limited as senior vice president of the investment team. Mr. Tso founded Teton CPA Company, an accounting firm, in January 2013 and he has been the sole proprietor since then.

After the Reporting Period, Mr. Tso resigned as Company Secretary and Ms. Chan Charmayne was appointed as the Company Secretary, all with effect from 13 February 2025.

Ms. CHAN Charmayne (陳焯嫻女士) (“Ms. Chan”), was appointed as the company secretary of the Company on 13 February 2025. Ms. Chan has worked for Acclime Corporate Services Limited, a corporate services provider, since September 2018 and was appointed as its director in July 2019. She has over 17 years of experience in company secretarial field. She had served in a law firm and listed companies and had extensive experience in performing full range of company secretarial duties of listed companies (Main and GEM boards of the Stock Exchange) and private companies of major jurisdictions. She is currently the company secretary of PuraPharm Corporation Limited (stock code: 1498), Fineland Living Services Group Limited (stock code: 9978), China MeiDong Auto Holdings Limited (stock Code: 1268), Ascentage Pharma Group International (stock code: 6855) and Xinyuan Property Management Services (Cayman) Ltd. (stock code: 1895) and the joint company secretary of Redsun Services Group Limited (stock Code: 1971), Redsun Properties Group Limited (stock Code: 1996) and Wise Living Technology Co., Ltd (stock code: 2481).

Ms. Chan has been a Chartered Governance Professional awarded by The Chartered Governance Institute (the “**CGI**”) and HKCGI since March 2019 and an associate member of the HKCGI since January 2014 and an elected associate of the CGI since January 2014. She obtained a master’s degree in corporate governance from the Hong Kong Polytechnic University in Hong Kong in October 2013 and a bachelor’s degree in business administration and management from the University of Huddersfield in the United Kingdom through distance education in November 2007.

* denotes the English translation of the Chinese name for identification purpose only

REPORT OF THE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of Bright Future Technology Holdings Limited (the “**Company**”) are pleased to present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024.

CORPORATE INFORMATION AND SHARE OFFER

The Company was incorporated in the Cayman Islands on 8 November 2018 as an exempted company with limited liability under the Companies Law. The Company carried out the Share Offer, comprising 125,000,000 Shares in the Company at HK\$1.10 per Share and the Shares were listed on the Main Board of the Stock Exchange on the Listing Date.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Company and its subsidiaries 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 PRC. Details of the principal activities of the Company’s subsidiaries are set out in note 33 to the consolidated financial statements of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group, the outlook of future development of the business of the Group as well as a discussion and analysis of the Group’s performance during the year ended 31 December 2024 and the material factors underlying its financial performance and financial position as required by section 388(2) and Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report. The financial risk management of the Group are set out in note 3 to the consolidated financial statements of this annual report. These discussions form part of this “Report of the Directors”.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of comprehensive income and the consolidated statement of financial position on pages 67 to 68 of this annual report.

FINAL DIVIDEND

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

CLOSURE OF 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.

REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to the community and achieving sustainable growth. The Group endeavours to comply with the relevant laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, waste reduction and energy saving.

In accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Code contained in Appendix C2 of the Listing Rules, the Company's environmental, social and governance report, which aptly captures the Group's efforts to align environmental, social and corporate governance with our strategic growth and integrate the same into our business operations, will be available on our website and the website of the Stock Exchange at the same time as the publication 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:

Risks relating to the Group's business and industry

- The Group may fail to compete effectively against other mobile advertising companies under the expected intense market competition, and the strong market positions of our major customers and media publishers may limit the Group's bargaining power with them and the Group could lose the existing customers.
- The Group generates revenues from the segment of intelligent marketing solutions services. If the Group fails to retain, deepen or expand the relationships with its existing suppliers, media publishers, customers, attracts new customers, or if the advertisers decide to directly engage media publishers for advertising, the Group's financial condition, results of operations and prospects may be materially and adversely affected.
- The Group may not be able to develop new or enhances services, or may fail to keep abreast with the technological developments of the mobile advertising industry, which may adversely affect the Group's business, financial conditions, results of operations and prospects.
- The Group is subject to risks and uncertainties as the Group only has a relatively short operating history in a competitive industry. The limited operating history undermines the evaluation of the Group's business and prospects.
- The Group has to pay for customers in advance to media publishers before arranging the bidding of advertisement inventories, and the Group is exposed to risks with regard to collection of the trade receivables for customers.
- Failure in complying with the standards and requirements from the Group's media publishers, in particular for those which recognised the Group as a core service provider, could result in loss of major media publishers and negatively affect the Group's business, financial conditions and operating results.
- Fluctuations in advertising traffic costs may adversely affect the Group's profitability.
- The Group is uncertain about the recoverability of the Group's deferred income tax assets as they are subject to accounting uncertainties.

REPORT OF THE DIRECTORS

- The Group relies on the performance of suppliers for the Group's precision advertising services. Any malpractice of or disputes with these suppliers may adversely affect the services provided to customers and the Group's reputation, which may lead to loss of its existing customers.
- There is a notable absence of a transparent pricing system for the mobile advertising market in the PRC, and media publishers are in control of the process for bidding advertisement inventories.
- If the Group does not effectively manage its growth, the Group's operating performance will deteriorate.
- The Group may face government actions and civil claims in connection with false, fraudulent, misleading, or otherwise illegal content of advertisements for which the Group provides advertising services.
- The regulations governing the mobile advertising industry are still evolving and developing. If the Group fail to obtain requisite approvals, licences or permits applicable to the Group's business, the Group's business and results of operations might be materially adversely affected.
- Laws and regulations in relation to data mining keep changing from time to time. New laws and regulations may be promulgated in the future which may adversely affect the Group's business and results of operations.
- Discontinuation of any preferential tax treatments available to the Group in China could adversely affect the Group's results of operations and financial condition.
- Any breaches to the Group's security measures, including unauthorized access, computer viruses and hacking, may adversely affect the Group's database, reduce use of the Group's services and damage the Group's reputation.
- The Group's information technology system relies on certain highly technical software developed by the Group's research and development team, which may contain undetected errors, that may affect the Group's business.
- The Group may not be able to prevent others from making unauthorized use of the Group's intellectual property.
- The Group may be subject to intellectual property infringement claims, which may be expensive to defend and may cause disruption to the Group's business and operations.
- Retaining of the Group's senior management and key employees are crucial to the Group's success, and the Group's business may be harmed if the Group loses their services.
- The controlling shareholders of the Company, whose interests may not be aligned with the interests of other shareholders of the Company, have substantial influence over the Company.
- The Group faces risks related to natural disasters and health epidemics.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group fully understands that employees, customers and suppliers are the key to its sustainable and stable development. The Group is committed to establishing a close relationship with its employees, customers, and suppliers so as to ensure the Group's sustainable development. During the Reporting Period, there was no significant or material disputes between the Group and its employees, customers and suppliers.

REPORT OF THE DIRECTORS

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

Save as disclosed above, as far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the year ended 31 December 2024, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

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.

Different suppliers/customers under the same holding group or company were grouped together for the purpose of calculating the contribution from top customers/suppliers.

None of the Directors or any of their close associates (as defined in the Listing Rules) or 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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Law which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

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.

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 Company 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.

The total remuneration cost incurred by the Group for the year ended 31 December 2024 was approximately RMB48.6million (2023: approximately RMB49.2 million). Details of the remuneration are set out in note 9 to the consolidated financial statements of this annual report.

REPORT OF THE DIRECTORS

For the year ended 31 December 2024, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group carries out its business operations in the PRC with most of the transactions denominated and settled in Renminbi save for certain fees payable to professional parties and miscellaneous administrative expenses that are denominated in Hong Kong dollars. Hence the Group does not currently have a hedging policy on foreign exchange risk as the Board does not consider the Group's exposure to foreign exchange fluctuations (primarily in the Hong Kong dollar) to be significant, and that any fluctuation thereof will not have any material impact on the Group's business operations or its financial results. The management will, however, closely monitor its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 33 to the consolidated financial statements in this annual report.

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in the consolidated statement of change in equity and note 26 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company did not have any distributable reserves.

FINANCIAL RESULTS

A summary of the results, assets, liabilities of the Group for the past financial years is set out on page 129 of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 25 to the consolidated financial statements in this annual report.

DEBENTURE ISSUED

The Group did not issue any debenture during the year ended 31 December 2024.

REPORT OF THE DIRECTORS

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save for the Subscriptions (which are defined in the sub-heading “Use of Net Proceeds from the Subscription of New Shares under General Mandate”), neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2024. The Company did not have any treasury shares as at 31 December 2024.

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2024 are set out in note 21 to the consolidated financial statements in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in note 14 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme and the Share Award Scheme, no equity-linked agreements were entered into by the Company during the Reporting Period.

DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this annual report were:

Executive Directors:

Mr. DONG Hui (*Chairman and Chief Executive Officer*)
Mr. YANG Dengfeng
Ms. GAO Yuqing
Mr. CEN Senhui

Independent Non-executive Directors:

Mr. LIU Kin Wai
Mr. WEI Hai Yan
Mr. LIN Sen

REPORT OF THE DIRECTORS

In accordance with the provisions of the Articles of Association, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with articles 108(a) & 108(b) of the Articles of Association, Mr. DONG Hui, Mr. CEN Senhui and Mr. LIU Kin Wai will retire by rotation and being eligible, will offer themselves for re-election at the AGM.

Details of the Directors to be re-elected at the AGM are set out in the circular to the Shareholders.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Company confirms that it has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and still considers that all independent non-executive Directors have satisfied their independence to the Group.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years with effect from the Listing Date, which may be terminated by either party giving not less than three months' written notice and is subject to termination provisions therein and retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

Each of the independent non-executive Directors has entered a letter of appointment, which may be terminated by either party giving not less than one month written notice or paying an equivalent amount of payment in lieu of notice to the other party, and is subject to termination provisions therein and retirement by rotation in accordance with the Articles of Association.

Save as disclosed above, none of the Directors has entered into any service with the Company other than contracts expiring or determinable by the Company within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in the note 30 to the consolidated financial statements, there was no transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director of the Company or an entity connected with any Director has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

Save as disclosed in the section headed "Loans from related parties" on page 18 of this annual report and note 30 to the consolidated financial statements, there was no contract of significance entered into between the Company, or any of its subsidiaries, and a controlling shareholder of the Company, or any of its subsidiaries, during the year.

REPORT OF THE DIRECTORS

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of the Directors and senior management of the Group is decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and the prevailing market conditions.

Details of the remuneration of the Directors are set out in note 9 to the consolidated financial statements in this annual report.

No remuneration was paid by the Group to any Director or senior management as an induction to join or upon joining the Group or as compensations for loss of office for the year and none of the Directors had waived any emoluments for the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force for the year ended 31 December 2024. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the year, which remains in force.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 22 to 26 of this annual report.

SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible persons as incentives or rewards for their contributions to the Group.

A summary of the principal terms of the Share Option Scheme is set out below:

Eligible persons

The Board may, at its absolute discretion, offer to grant options to the following persons:

- (i) any employee or director or chief executive of any member of the Group;
- (ii) any executive directors, non-executive directors and independent non-executive directors of any member of the Group;
- (iii) any substantial shareholder of any member of the Group;
- (iv) advisors or consultants of any member of the Group; and
- (v) an associate of any of the persons referred in paragraphs (i) to (iv) above.

REPORT OF THE DIRECTORS

Maximum number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes ("**Other Schemes**") of the Group is 50,000,000, being no more than 10% of the Shares in issue as of the Listing Date (the "**Scheme Mandate Limit**").

The Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of the shareholders in general meeting. However, the refreshed Scheme Mandate Limit cannot exceed 10% of the Shares in issue as at the date of such approval, and for the purpose of calculating the latest refreshed limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and Other Schemes of the Group) previously granted under the Share Option Scheme and Other Schemes of the Group will not be counted.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and Other Schemes of the Group shall not exceed 30% of the Shares in issue from time to time.

As at 31 December 2024 and the date of this annual report, no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme and therefore the total number of Shares available for grant under the Share Option Scheme was 50,000,000 Shares, representing 8.3% of the issued share capital of the Company as at the date of this annual report.

Maximum entitlement of each participant

Unless approved by the Shareholders in general meeting, the maximum number of Shares underlying the options granted to a participant under the Share Option Scheme and Other Schemes (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue from time to time.

The period within which the options may be exercised by the participant

A period to be notified by the Board to each participant and not more than ten years from the date of grant.

Vesting period of options granted

As determined by the Board on a case-by-case basis but in any case not less than 12 months.

Life of the Share Option Scheme

The Share Option Scheme will be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

Subscription price

The subscription price for the Shares subject to options will be a price determined by the Board and notified to each Participant and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the options; and (iii) the nominal value of a Share.

REPORT OF THE DIRECTORS

Consideration

Consideration of HK\$1.00 is required to be paid by the participants for the grant under the Share Option Scheme and such payment must be made within 28 days from the date on which the option is granted.

SHARE AWARD SCHEME

The Share Award Scheme was adopted on 7 May 2021 (the “**Adoption Date**”). The purposes and objectives of the Share Award Scheme are (i) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

A summary of the principal terms of the Share Award Scheme is set out below:

Eligible participants

The eligible award participant of the Share Award Scheme (the “**Selected Employee**”) are employee(s) (other than any Excluded Employee) selected by the Board, from time to time, at its absolute discretion.

Maximum number of Shares available to be granted

The Company has entered into a Trust Deed with Futu Trustee Limited (the “**Trustee**”) on 7 May 2021 and appointed the Trustee as the initial trustee under the Share Award Scheme. The Trustee is a professional trustee engaged by the Company for the Share Award Scheme. Pursuant to the Share Award Scheme, the shares of the Company to be awarded under the Share Award Scheme (the “**Awarded Shares**”) will be comprised of (i) new Shares to be allotted and issued to the Trustee (which holds the same on behalf of the Selected Employees) by the Company under the general mandate sought from the shareholders of the Company in its general meeting; or (ii) existing Shares to be purchased from public shareholders or from any party designated by the Company.

The maximum number of Awarded Shares which may be awarded under the Share Award Scheme is 10 per cent (i.e. 50,000,000 shares) of the Shares in issue as at the Adoption Date.

During the year ended 31 December 2024, no Awarded Shares were granted.

Since the Adoption Date and up to the date of this annual report, a total of 8,136,772 Awarded Shares had been granted under the Share Award Scheme, representing about 1.63 per cent of the issued share capital of the Company in issue on the Adoption Date. During the year ended 31 December 2024, 1,021,259 Awarded Shares were vested in the Selected Employees and 78,769 Award Shares were cancelled/lapsed. The Trustee, as instructed by the Board, had purchased a total of 22,076,000 Shares during the year ended 31 December 2024 on the market and from independent third parties at a total consideration of HKD9,244,338. The Trustee holds these Shares pursuant to the terms and conditions of the Scheme and the Trust Deed. The total number of Awarded Shares which is available for being further awarded under the Share Award Scheme is 42,771,890 which represents about 7.13 per cent of the Company's issued shares as at the date of this annual report.

REPORT OF THE DIRECTORS

The Board shall not make any further award which will result in the aggregate number of the Shares awarded by the Board under the Share Award Scheme exceeding ten per cent of the total issued share capital of the Company from time to time.

The Group recognised a share-based compensation expenses of RMB143,000 for the year ended 31 December 2024 (2023: RMB397,000).

Maximum entitlement of each Selected Employee

The maximum number of shares which may be awarded to a Selected Employee under the Share Award Scheme shall not exceed one per cent of the total issued share capital of the Company in any 12-month period. The Board will, however, refrain from making any further award, should it involve allotment of new Share or purchase of existing Share from public shareholders rendering the Company unable to meet the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

Vesting period of the Awarded Shares

A Selected Employee shall be entitled to receive the Awarded Shares held by the Trustee in accordance with the vesting schedule, as set out in the grant notice, upon when the Selected Employee has satisfied all vesting conditions specified by the Board at the time of making the award. Vesting of the Shares will be conditional on the Selected Employee remaining a director or employee of the Group until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the Trustee.

Amount payable on acceptance of the Awarded Shares

The Board shall be at its discretion entitled to determine the amount payable on acceptance of the Awarded Shares. There is no exercise price or purchase price of the Awarded Shares under the Share Award Scheme.

Remaining life of the Share Award Scheme

The Share Award Scheme shall initially be valid and effective for a period of ten years commencing on the Adoption Date and shall expire on the day immediately preceding the tenth anniversary thereof, after which period no further award shall be made.

REPORT OF THE DIRECTORS

Voting rights

The Trustee shall not exercise the voting rights in respect of any unvested Shares held under the Share Award Scheme Trust (including but not limited to the Awarded Shares, further shares acquired out of the income derived therefrom, the returned shares, any bonus shares and scrip shares).

Movements of the number of Awarded Shares outstanding during the year ended 31 December 2024 are as follows:

Awardee	Date of Grant	Vesting date	Number of unvested Awarded Shares as at 1 January 2024	Number of Awarded Shares granted during the Reporting Period	Number of Awarded Shares vested during the Reporting Period	Adjustment/ cancelled/ lapsed during the Reporting Period	Number of unvested Awarded Shares as at 31 December 2024	Weighted average closing price of the Shares immediately before the vesting date HK\$
40 Selected Employees	20 July 2021	20 July 2024 ¹	1,100,028	–	1,021,259	78,769	–	0.249
Total			1,100,028	–	1,021,259	78,769	–	

Note:

- The Awarded Shares are vested in three tranches: (i) 30% of the Award Shares to be vested on any date after the last day of period of 12 months commencing on the date of acceptance form; (ii) 30% of the Award Shares to be vested on any date after the last day of period of 24 months commencing on the date of acceptance form; (iii) 40% of the Award Shares to be vested on any date after the last day of period of 36 months commencing on the date of acceptance form. For further details, please refer to the announcement of the Company dated 23 July 2021.

Pursuant to the announcement of the Company dated 7 May 2021, the award of the Awarded Shares were awarded to each of the awardees at nil consideration. The closing price of the share immediately before the dates of grant of the Awarded Shares on 20 July 2021, 12 May 2022 and 7 May 2022 was HK\$0.98, HK\$0.73, and HK\$0.71 respectively.

As at 31 December 2024 and at the date of this annual report, no Awarded Shares had been granted pursuant to the Share Award Scheme (2023: nil). The number of Shares that may be issued in respect of options and Award Shares, if any, granted under all of the abovementioned share incentive schemes of the Company during the Reporting Period divided by the weighted average total issued share capital of the Company for the Reporting Period is nil (2023: nil).

REPORT OF THE DIRECTORS

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

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be 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 they have taken, or are deemed to have taken under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(i) Interest in the Company

Name	Capacity/Nature of Interest ⁽¹⁾	Number of Shares held	Approximate percentage of shareholding interest
Mr. Dong Hui ("Mr. Dong")	Interested in a controlled corporation ⁽²⁾ Interest of spouse ⁽³⁾	325,537,469	54.26%
Ms. Gao Yuqing ("Ms. Gao")	Interested in a controlled corporation ⁽⁴⁾ Interest of spouse ⁽⁵⁾	325,537,469	54.26%
Mr. Yang Dengfeng ("Mr. Yang")	Interested in a controlled corporation ⁽²⁾	325,537,469	54.26%
Mr. Cen Senhui ("Mr. Cen")	Interested in a controlled corporation ⁽⁶⁾	541,691	0.09%

Notes:

- All interests stated are long position. This is based on the total Shares in issue as at 31 December 2024, being 600,000,000.
- Brilliant League and Vast Ocean are indirectly and directly wholly-owned by Mr. Dong respectively. Mr. Dong and Mr. Yang are parties acting in concert. Highland Triumph is indirectly wholly-owned by Mr. Yang. Also, as the entire issued share capital of Brilliant League and Highland Triumph are being indirectly held by ARK TRUST (SINGAPORE) LTD and VISTRA TRUST (SINGAPORE) PTE. LIMITED respectively as trustees, which in turn wholly-owns SMART GUIDE VENTURES LIMITED and ULTRA MODEL LIMITED respectively, ARK TRUST (SINGAPORE) LTD and SMART GUIDE VENTURES LIMITED are deemed to have an interest in the shares in which Brilliant League is interested, whilst VISTRA TRUST (SINGAPORE) PTE. LIMITED and ULTRA MODEL LIMITED are deemed to have an interest in the shares in which Highland Triumph is interested. Thus, Mr. Dong, Mr. Yang, Brilliant League, Vast Ocean and Highland Triumph are all deemed to be interested in 325,537,469 Shares held by Brilliant League, Vast Ocean and Highland Triumph.
- Mr. Dong is the spouse of Ms. Gao, and Mr. Dong is thus deemed to be interested in the Shares held by Ms. Gao.
- Able2shine Limited is wholly-owned by Ms. Gao, and Ms. Gao is thus deemed to be interested in 3,639,700 Shares held by Able2shine Limited.
- Ms. Gao is the spouse of Mr. Dong, and Ms. Gao is thus deemed to be interested in the Shares held by Mr. Dong.
- Global Digital Adc Limited is wholly-owned by Mr. Cen, and Mr. Cen is thus deemed to be interested in 541,691 Shares held by Global Digital Adc Limited.

REPORT OF THE DIRECTORS

(ii) Interest in associated corporations

Name	Name of associated corporation	Capacity/Nature	Percentage of interest
Mr. Dong	BRILLIANT LEAGUE LIMITED	Interest in controlled corporation	100%
	SMART GUIDE VENTURES LIMITED	Interest in controlled corporation	100%
	ARK TRUST (SINGAPORE) LTD	Beneficiary of a trust	100%
Mr. Yang	VAST OCEAN LIMITED	Beneficial owner	100%
	HIGHLAND TRIUMPH LIMITED	Interest in controlled corporation	100%
	ULTRA MODEL LIMITED	Interest in controlled corporation	100%
	VISTRA TRUST (SINGAPORE) PTE. LIMITED	Beneficiary of a trust	100%
Ms. Gao	Able2shine Limited	Beneficial owner	100%
Mr. Cen	Global Digital Adc Limited	Beneficial owner	100%

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive of the Company has 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 (a) were required to be 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 they have taken or are deemed to have taken under such provisions of the SFO), or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, or were such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the year ended 31 December 2024.

REPORT OF THE DIRECTORS

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

As at 31 December 2024, according to the register kept by the Company under Section 336 of SFO and so far as was known to the Directors, the following persons (otherwise than in the capacity of the Director or chief executive of the Company) who had interests or short positions in the Shares or the underlying Shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity/ Nature of Interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding interest
BRILLIANT LEAGUE LIMITED	Beneficial interest and interest held jointly with other person ⁽²⁾	325,537,469	54.26%
VAST OCEAN LIMITED	Interest held jointly with other person ⁽²⁾	325,537,469	54.26%
HIGHLAND TRIUMPH LIMITED	Beneficial interest and interest held jointly with other person ⁽²⁾	325,537,469	54.26%
SMART GUIDE VENTURES LIMITED	Interested in a controlled corporation ⁽³⁾	325,537,469	54.26%
ULTRA MODEL LIMITED	Interested in a controlled corporation ⁽⁴⁾	325,537,469	54.26%
ARK TRUST (SINGAPORE) LTD	Trustee ⁽³⁾	325,537,469	54.26%
VISTRA TRUST (SINGAPORE) PTE. LIMITED	Trustee ⁽⁴⁾	325,537,469	54.26%
Ms. Wu Cheng	Interest of spouse ⁽⁵⁾	325,537,469	54.26%
Little wisdom Limited	Beneficial interest ⁽⁶⁾	71,020,000	11.84%
Mr. Shen Ming ("Mr. Shen")	Interested in a controlled corporation ⁽⁶⁾	71,020,000	11.84%
Ms. Hu Simian (胡思勉)	Interest of spouse ⁽⁷⁾	71,020,000	11.84%
Futu Trustee Limited	Trustee ⁽⁸⁾	41,491,532	6.92%

Notes:

- All interests stated are long position. This is based on the total Shares in issue as at 31 December 2024, being 600,000,000.
- Brilliant League and Vast Ocean are indirectly and directly wholly-owned by Mr. Dong respectively. Mr. Dong and Mr. Yang are parties acting in concert. Highland Triumph is indirectly wholly-owned by Mr. Yang. Thus, Mr. Dong, Mr. Yang, Brilliant League, Vast Ocean and Highland Triumph are all deemed to be interested in 325,537,469 Shares held by Brilliant League, Vast Ocean and Highland Triumph.
- SMART GUIDE VENTURES LIMITED is a wholly-owned subsidiary of ARK TRUST (SINGAPORE) LTD which in turn holds the entire issued share capital of Brilliant League as trustee for the trusts established by Mr. Dong as settlor for the benefit for himself. SMART GUIDE VENTURES LIMITED and ARK TRUST (SINGAPORE) LTD are therefore deemed to have an interest in the shares in which Brilliant League is interested.

REPORT OF THE DIRECTORS

4. ULTRA MODEL LIMITED is a wholly-owned subsidiary of VISTRA TRUST (SINGAPORE) PTE. LIMITED which in turn holds the entire issued share capital of Highland Triumph as trustee for the trusts established by Mr. Yang as settlor for the benefit for himself. ULTRA MODEL LIMITED and VISTRA TRUST (SINGAPORE) PTE. LIMITED are therefore deemed to have an interest in the shares in which Highland Triumph is interested.
5. Ms. Wu Cheng is the spouse of Mr. Yang, and Ms. Wu Cheng is thus deemed to be interested in the Shares held by Mr. Yang.
6. Little wisdom Limited is wholly-owned by Mr. Shen Ming (沈明), who is the Chief Marketing Officer of Shenzhen Lindu Technology Company Limited, a wholly-owned subsidiary of the Company. Mr. Shen is all deemed to be interested in 71,020,000 Shares held by Little wisdom Limited.
7. Ms. Hu Simian (胡思勉) is the spouse of Mr. Shen, and Ms. Hu is thus deemed to be interested in the Shares held by Mr. Shen.
8. Futu Trustee Limited is the trustee of the Company's share award scheme and holding 39,760,809 Shares as the trustee of the unvested Shares and 1,730,723 Shares as the custodian of the vested Shares of the grantees.

Save as disclosed above, as at 31 December 2024, according to the register kept by the Company under Section 336 of the SFO and so far as were known to the Directors, there was no other person (otherwise than in the capacity of the Director or chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024 and up to the date of this annual report, none of the Directors is considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

CONNECTED TRANSACTIONS

The Group has not conducted any non-exempt continuing connected transaction nor continuing connected transactions under Chapter 14A of the Listing Rules for the year ended 31 December 2024. Details of related party transactions of the Group for the year ended 31 December 2024 are set out in note 30 to the consolidated financial statements in this annual report. The related party transactions disclosed in note 30 were not regarded as connected transactions nor continuing connected transactions under Chapter 14A of the Listing Rules and were exempt from reporting, announcement and shareholders' approval requirements under the Listing Rules.

UPDATE ON DIRECTORS' INFORMATION

The change in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

As at 3 January 2025, Mr. LIN Sen ceased to be the independent non-executive Director of Shenzhen Jiang & Associates Creative Design Co., Ltd. (深圳市傑恩創意設計股份有限公司) (stock code: 300668), a company listed on The Shenzhen Stock Exchange.

REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

No contracts relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules.

CHARITABLE DONATIONS

During the year ended 31 December 2024, no charitable and other donations was made by the Group.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 46 to 62 of this annual report.

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 enquiry 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.

USE OF NET PROCEEDS FROM 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.

REPORT OF THE DIRECTORS

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:

Use of net proceeds	Intended use of the net proceeds HK\$ million	Amount of net proceeds utilised during the Reporting Period HK\$ million	Amount of net proceeds utilised up to the Reporting Period HK\$ million	Unutilised net proceeds as at 31 December 2024 HK\$ million
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

REPORT OF THE DIRECTORS

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section headed “Management Discussion and Analysis”, no important events affecting the Company occurred since the year ended 31 December 2024 and up to the date of publication of this annual report.

MATERIAL LITIGATION

As at 31 December 2024, the Company was not involved in any litigation, arbitration, administrative proceedings of material importance which could have a material adverse effect on its financial condition or results of operations, and, so far as the Company is aware, no litigation, arbitration, administrative proceedings of material importance is pending or threatened against the Company.

AUDITOR

PricewaterhouseCoopers (“**PwC**”) resigned as the auditor of the Company with effect from 24 July 2023 and Zhonghui Anda CPA Limited (“**Zhonghui Anda**”), following the resignation of PwC, was appointed with effect from 25 July 2023 as the new auditor of the Company by the Directors to fill the casual vacancy and has been re-appointed as auditors of the Company at the annual general meeting of the Company on 22 May 2024. Save for the above, there has been no other change of auditors in the past three years.

Zhonghui Anda shall retire in the AGM and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Zhonghui Anda as independent auditor of the Company will be proposed at the AGM.

On behalf of the Board

DONG Hui

Chairman, Chief Executive Officer and Executive Director
Shenzhen, PRC, 27 March 2025

CORPORATE GOVERNANCE REPORT

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximizing shareholders' interests.

CORPORATE STRATEGY AND CULTURE

The Group positions itself as one of China's leading expert in mobile internet marketing technology and solutions by staying true to its vision of "delivering more value to businesses". In order to accomplish its mission of "assisting Chinese enterprises in completing the digital transformation of their businesses", the Board regularly reviews and drives improvements in the Company's development strategies to ensure that its corporate culture is consistent with the company's strategies, values and plans, whilst being adaptive to the macroeconomic environment and development trends.

In the ever-changing mobile Internet industry, the Group regards and embraces technology as its core competitiveness, and with talent being deemed an important asset of the Group, great importance is attached to its attraction, retention and development. Thus, the Group strives to adhere to a long-term talent strategy, and has in place comprehensive staff development and incentive systems, as well as a comprehensive staff training system, as regularly optimised. During the year under review, in addition to regular staff training, the Group also launched special training programs such as "Internal Instructor Certification Activities" (內部講師認證活動) and "Talent Gathering Program" (聚能計劃). At the same time, the Group also actively encourages its employees to participate in external training programs organised by its in-depth partners.

The Group advocates the business philosophy of "seeing changes, embracing changes, and leading changes", and encourages colleagues from top to bottom to always pay heed to the iterative updates of peripheral technologies and business environment so as to continuously enhance its competitiveness, and spearhead the healthy, orderly and long-term development of the internet economy through the delivery of more advanced technologies and better service quality. Contemporaneously, the Group operates its business in accordance with the law and in an ethical and responsible manner, whilst fulfilling its social responsibility in promoting coordinated and sustainable economic, social and environmental development.

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.

CORPORATE GOVERNANCE REPORT

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 annual report, 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 of the Company accordingly.

THE BOARD OF DIRECTORS

Responsibilities

The Board of the Company is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Nomination Committee, the Remuneration Committee and the Audit Committee (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Board Composition

As at the date of this annual report, the Board comprises seven Directors, including four executive Directors and three independent non-executive Directors as set out below:

Executive Directors:

Mr. DONG Hui (*Chairman & Chief Executive Officer*)
Mr. YANG Dengfeng
Ms. GAO Yuqing
Mr. CEN Senhui

Independent non-executive Directors:

Mr. LIU Kin Wai
Mr. WEI Hai Yan
Mr. LIN Sen

All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2024, the Board at all times met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive director representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them has satisfied his independence to the Group.

Mr. DONG Hui is the spouse of Ms. GAO Yuqing (Executive Director of the Company) and Mr. Dong and Mr. YANG Dengfeng (Executive Director of the Company) are parties acting in concert. Save as disclosed in the above, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Director.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

ANALYSIS OF THE DIVERSITY OF THE BOARD

The Board has a balanced mix of directors from different industries and with varied professional backgrounds, having diverse experience, knowledge and expertise, whom collectively as a group provides such balanced views and opinions which are beneficial to the Group and its shareholders as a whole.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant laws, rules and regulations.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Pursuant to code provision C.1.4 of the CG Code, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

CORPORATE GOVERNANCE REPORT

Below is the record of participation in continuous professional development programme by the Directors during the year ended 31 December 2024 relevant to the directors' duties and responsibilities, regulatory updates and business, financial and operational matters of the Group.

	Attending seminars/ conferences/ forums	Reading materials
Executive Directors		
Mr. DONG Hui	✓	✓
Mr. YANG Dengfeng	✓	✓
Ms. GAO Yuqing	✓	✓
Mr. CEN Senhui	✓	✓
Independent non-executive Directors		
Mr. LIU Kin Wai	✓	✓
Mr. WEI Hai Yan	✓	✓
Mr. LIN Sen	—	✓

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors entered into a service agreement with the Company on 16 October 2020 for an initial term of three years which may be terminated by either party giving not less than three months' prior notice in writing and is subject to termination provisions therein and retirement by rotation and re-election at the annual general meetings of the Company in accordance with the memorandum and articles of association of the Company (the "**Memorandum and Articles of Association**") or any other applicable laws from time to time whereby he/she shall vacate his/her office.

Each of the independent non-executive Directors entered into an appointment letter with the Company on 16 October 2020 (except Mr. LIN Sen who entered into an appointment letter with the Company on 30 May 2023) which may be terminated by either party giving not less than one month prior notice in writing or paying equal amounts of payment in lieu of notice and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Memorandum and Articles of Association or any other applicable laws from time to time whereby he/she shall vacate his/her office.

None of the Directors has a service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

In accordance with the provisions of the Memorandum and Articles of Association, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years; any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office until the first general meeting of Company after his/her appointment and be eligible for re-election at such meeting.

The procedures and process of appointment, re-appointment and continuation (or not) in service of any Director are set out in the Memorandum and Articles of Association. The Nomination Committee is responsible for reviewing the composition of the Board, monitoring the appointment or re-appointment of Directors and succession planning for Directors.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

The Company has adopted the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than 14 days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice will generally be given. The agenda and accompanying Board papers are dispatched to the Directors or committee members seven days (and in any event not less than three days) before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised on the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting.

Minutes of the Board meetings and committee meetings will be recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

ATTENDANCE RECORDS OF BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETINGS

The attendance records of each Director and each member of the Board Committees of the Company at the relevant meetings held during the year ended 31 December 2024 are as follows:

	Actual Attendance/Number of Meetings a Director is entitled to attend				
	Board	Nomination Committee	Remuneration Committee	Audit Committee	General Meeting
No. of meetings held during the year	4	1	1	3	1
Executive Directors					
Mr. DONG Hui	4/4	1/1	–	–	1/1
Mr. YANG Dengfeng	4/4	–	1/1	–	1/1
Ms. GAO Yuqing	4/4	–	–	–	1/1
Mr. CEN Senhui	4/4	–	–	–	1/1
Independent non-executive Directors					
Mr. LIU Kin Wai	4/4	–	1/1	3/3	1/1
Mr. WEI Hai Yan	4/4	1/1	–	3/3	1/1
Mr. LIN Sen	4/4	1/1	1/1	3/3	1/1

CORPORATE GOVERNANCE REPORT

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 required standards set out in the Model Code.

Having made specific enquiry 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 and its code of conduct regarding Directors' securities transactions 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.

DELEGATION BY THE BOARD

The Board reserves for its decision all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have resource to seek independent professional advice in performing their duties at the Company's expense and are encouraged to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management of the Group. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the senior management.

CORPORATE GOVERNANCE FUNCTION

The Board delegated the Company's corporate governance functions to the Audit Committee to perform the following corporate governance duties:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company.

The Board approved the terms of reference of the Nomination Committee, the Audit Committee and the Remuneration Committee.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2024 are set out in note 9 to the consolidated financial statements in this annual report.

The biographies of the senior management are disclosed in the section headed “Directors and Senior Management” in this annual report. Remuneration paid to the top senior management (excluding the Directors) for the year ended 31 December 2024 fell within the following bands are as follows:

Remuneration Band	No. of employees
Nil to HKD1,000,000	1

DIRECTORS' LIABILITY INSURANCE

The Company has arranged appropriate insurance cover in respect of legal action against its Directors.

BOARD COMMITTEES

Nomination Committee

The Nomination Committee was established on 16 October 2020 and written terms of reference of the Nomination Committee had been adopted by the Board and were posted on the websites of the Company and the Stock Exchange.

The Nomination Committee comprises one executive Director, namely Mr. DONG Hui and two independent non-executive Directors, namely Mr. WEI Hai Yan and Mr. LIN Sen. Mr. DONG Hui currently serves as the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include:

- reviewing the structure, size, composition and diversity of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- determining the policy for the nomination of Directors;
- identifying individuals suitably qualified to become members of the Board;
- selecting or making recommendations to the Board on the individuals nominated for directorship;
- assessing the independence of Independent non-executive Directors;
- reviewing the Board Diversity Policy;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and
- performing other duties incidental to the duties of the Committee delegated as appropriate by the Board or as stipulated in the CG Code from time to time.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2024, the Nomination Committee held one meeting during which the Nomination Committee has performed the following major works:

- reviewed the structure, size, composition and diversity of the Board;
- recommended to the Board on the appointment or re-appointment of directors at the forthcoming annual general meeting;
- reviewed the Board Diversity Policy;
- assessed the independence of independent non-executive directors; and
- recommended to the Board on the appointment of independent non-executive Director.

Nomination policy

The Company follows a formal, considered and transparent procedure for the appointment of new Directors for the Board to achieve a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Recognising the vitality of diversity for the Board, the Company has adopted a board diversity policy. When making recommendations regarding the appointment of directors or re-appointment of directors, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- Reputation for integrity;
- Accomplishment, experience and reputation in the business and industry;
- Commitment in respect of sufficient time, interest and attention to the businesses of the Company and its subsidiaries;
- Compliance with the criteria of independence, in case for the appointment of an independent non-executive director, as prescribed under Rule 3.13 of the Listing Rules; and
- Any other relevant factors as may be determined by the Committee or the Board from time to time as appropriate.

The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a Shareholder of the Company as a nominee for election to the Board and the appointment or re-appointment of Directors and succession planning for Directors is subject to the approval of the Board.

Procedures for Shareholders' nomination of any proposed candidate for election as a Director are stated in "Procedures for a Shareholder of Bright Future Technology Holdings Limited to Propose a Person for Election as a Director" and disclosed in the Company's website.

CORPORATE GOVERNANCE REPORT

Board diversity policy

With a view to enhancing the effectiveness of the Board and maintaining high standard of corporate governance, the Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. Appointments of members of the Board will be based on merits and contribution that the selected candidates will bring to the Board.

The Nomination Committee is delegated by the Board to be responsible for compliance with relevant codes governing board diversity under the CG Code. As at the date of this Annual Report, the Board comprises seven Directors, one of whom is female. The Board considers the current Board composition has provided the Company with a good balance and diversity of skills and experience appropriate to the requirements of its business, and allowed opinion from different gender and background be heard and discussed, and Board diversity (including gender diversity) has been achieved, which complies with the relevant requirements under Rule 13.92 of Listing Rules. The Board targets to maintain the current level of at least one female representation on the Board. The Board will continue review its structure to ensure it suits the requirement of its business and support the development of the Group. If situation evolves and the Board determines that an additional or replacement Director is required to achieve gender diversity or to suits the business requirements and support the development of the Group, the Company will deploy multiple channels for identifying suitable director candidates, including without limitation, referral from management, shareholders and advisors of the Company, or internal promotion, with regarding to the range of diversity perspectives set forth in the Board Diversity Policy.

The Nomination Committee has reviewed the board diversity policy from time to time to ensure its continued effectiveness.

Remuneration Committee

The Remuneration Committee was established on 16 October 2020 and the revised written terms of reference of the Remuneration Committee had been adopted by the Board and were posted on the websites of the Company and the Stock Exchange.

The Remuneration Committee is comprised of one executive Director, namely Mr. YANG Dengfeng and two independent non-executive Directors, namely Mr. LIU Kin Wai and Mr. LIN Sen. Mr. LIN Sen is currently serving as the chairman of the Remuneration Committee

CORPORATE GOVERNANCE REPORT

The primary duties of the Remuneration Committee include:

- making recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration 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. This 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;
- considering salaries paid by comparable companies, time commitment and responsibility and employment conditions elsewhere in the Company and its subsidiaries;
- reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment;
- reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct; and
- ensuring that no Director or any of his associates is involved in deciding his own remuneration.

During the year ended 31 December 2024, the Remuneration Committee held one meeting during which the Remuneration Committee has performed the following major works:

- reviewed the Company's policy and structure for all Directors and senior management remuneration (including salaries paid based on business performance);
- considered and recommended to the Board on the remuneration packages of executive Directors and senior management for the year ended 31 December 2024;
- considered and recommended to the Board on the remuneration packages of independent non-executive Directors for the year ended 31 December 2024; and
- recommended to the Board on the remuneration package of the new independent non-executive Director.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Audit Committee was established on 16 October 2020 and written terms of reference of the Audit Committee had been adopted by the Board and were posted on the websites of the Company and the Stock Exchange.

The Audit Committee is comprised of three independent non-executive Directors, namely Mr. LIU Kin Wai, Mr. WEI Hai Yan and Mr. LIN Sen with Mr. LIU Kin Wai possessing the appropriate accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules. Mr. LIU Kin Wai is the chairman of the Audit Committee. None of the members of the Audit Committee is a former partner of the Company's external auditor.

The primary duties of the Audit Committee include:

- making recommendations to the Board on the appointment, reappointment and removal of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- developing and implementing policy on engaging an external auditor to supply non-audit services;
- discussing with the external auditor the nature and scope of the audit and relevant reporting obligation;
- monitoring the integrity of the Company's financial statements and annual reports and accounts, half-year reports and reviewing significant financial reporting judgments contained therein;
- reviewing the Company's financial controls, risk management and internal control systems;
- ensuring co-ordination between the internal and external auditors;
- reviewing the Group's financial and accounting policies and practices;
- reporting to the Board on the matters set out above; and
- performing the corporate governance functions delegated by the Board.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2024, the Audit Committee held three meetings and the Audit Committee has performed the following major works:

- considered and recommended to the Board on the approval of the audited annual results of the Company and its subsidiaries for the year ended 31 December 2023;
- considered and recommended acceptance of the audit committee report prepared by Zhonghui Anda for the year ended 31 December 2023;
- considered and evaluated the management system adopted by the Group for internal, financial and risk management and internal control procedures;
- considered and evaluated whether the external auditor is independent and objective and whether the audit procedures are effective, the re-appointment and remuneration of the external auditor (subject to shareholders' approval), and make a proposal to the Board; and
- considered and recommended to the Board on the approval of the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2024.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities in relation to the preparation of the financial statements for the year ended 31 December 2024 and in ensuring that the preparation of the accounts is in accordance with statutory requirements and applicable accounting standards.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 63 and 66 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group is exposed to various risks during the operations. The Group has implemented various policies and procedures (as updated from time to time) to ensure effective risk management at each aspect of its operations, including the administration of daily operations, financial reporting and recording, fund management, compliance with applicable laws and regulations.

The Board oversees and manages the overall risks associated with its operations, and 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 establishing and maintaining appropriate and effective risk management and internal control systems. The Audit Committee are responsible for reviewing and supervising the financial reporting process and internal control system of the Group. The Company also has an internal audit function which primarily carries out the analysis and independent review of the adequacy and effectiveness of the Group's risk management and internal control systems, and reports their findings to the Board on, at least, an annual basis.

CORPORATE GOVERNANCE REPORT

The Group is dedicated to the establishment and maintenance of a robust internal control system. The Group has adopted and implemented risk management policies and corporate governance measures in various aspects of the business operations such as financial reporting, information risk management, legal compliance and intellectual property rights management and human resources management.

The Audit Committee and senior management monitor the implementation of the risk management policies across the Group on an ongoing basis to ensure that the internal control system is effective in identifying, managing and mitigating risks involved in the operations.

The main thrust of the Group's risk management and internal control systems is its ability to dynamically and effectively capture and evaluate significant emerging risks and risk changes, both quantitatively and qualitatively, and to timely manage risks by appropriate risk responses and mitigation strategies. Thus, the Group strives to keep abreast of and actively monitor the ongoing compliance with the relevant laws and regulations that govern business operations and oversee the implementation of any necessary measures. In addition, the Group plans to provide Directors, senior management and relevant employees with continuing training programs and/or updates regarding the relevant laws and regulations on a regular basis with a view to proactively identify any concerns and issues relating to any potential non-compliance.

In addition, the Group have adopted a set of internal rules and policies governing the conduct of employees, and has established a monitoring system to implement anti-bribery and anti-corruption measures so as to ensure that employees comply with the Group's internal rules and policies as well as the applicable laws and regulations. For example, the management is responsible for conducting a fraud and bribery risk assessment on an annual basis and the Audit Committee reviews and approves annual risk assessment results and policies. The Group has also identified certain forbidden conduct in internal anti-bribery and anticorruption policies, including, among others, the prohibition to acceptance of bribes or rebates, embezzlement or misappropriation of the assets, and forgery or alteration of accounting records.

The Group offers compulsory training courses to new employees and continuing training to existing employees to enhance their knowledge and awareness of the relevant rules and regulations. The Group also keeps abreast of the latest regulatory updates and communicate with the relevant regulatory authorities from time to time to discuss the latest regulatory requirements in light of the evolving nature of the mobile advertising business.

During the year ended 31 December 2024, the Audit Committee reviewed the overall effectiveness of the Group's risk management and internal control systems, covering financial, operational and compliance controls and risk management functions, which included the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, and their training programs and budget.

The Board believes that there are no material internal control deficiencies that may affect the shareholders of the Company and an effective and adequate risk management and internal control system is in place to safeguard the assets of the Group. The Audit Committee and senior management together monitor the implementation of risk management policies on an ongoing basis to ensure the policies and the implementation of which are effective and sufficient.

CORPORATE GOVERNANCE REPORT

Whistleblowing Policy and Anti-corruption

The Group fully acknowledges the importance of anti-corruption and whistle-blowing policies to good corporate governance.

Since its inception, the Group has formulated a strict anti-corruption policy which are in compliance with the prevailing anti-corruption laws and regulations where its business operations and units are located, which covers aspects such as conflicts of interest, gifts and entertainment, discrimination and sexual harassment, company property, etc. Accordingly, a special e-mail account was set up by the Group for receiving whistleblowing reports, with employees being encouraged to report violations in a secure and confidential manner. A special team was also formed by the Group to verify and investigate the whistleblowing reports and, where necessary, employ legal measures. The Group treats the information of the whistleblower as strictly confidential and will incentivise them with cash rewards.

AUDITOR'S REMUNERATION

For the year ended 31 December 2024, the total remuneration paid or payable to the Company's auditors, Zhonghui Anda, for the annual audit services was approximately 1,150,000 (2023: approximately RMB1,400,000). There were no non-audit service provided by the Company's auditor during 2024 and 2023.

COMPANY SECRETARY

The Company engages an external service provider to provide company secretarial services and Mr. TSO Ping Cheong Brian has been appointed as the Company Secretary of the Company ("**Company Secretary**") since the Listing. Mr. Tso has assisted on the company secretarial matters of the Company. The primary contact person in the Company for Mr. Tso in relation to corporate secretarial matters is Ms. Wu Yang, the Chief financial officer of the Company. For the year ended 31 December 2024, Mr. Tso had complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training. Since Mr. Tso is an external service provider, Mr. Dong Hui, the Chief Executive Officer, would be the person at the Company whom Mr. Tso can contact according to code provision C.6.1 of the code.

After the Reporting Period, Mr. Tso has resigned as Company Secretary and Ms. Chan Charmayne has been appointed as the Company Secretary, all with effect from 13 February 2025.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Group recognizes the importance of transparent and timely disclosure of corporate information, which enables the Shareholders and investors to make the best investment decision. The Company believes the effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies.

The Company maintains a website at www.btomorrow.cn as a communication platform with Shareholders and investors, where information on the Company's announcements, financial information and other information are available for public access.

Besides, shareholders' meetings provide an opportunity for communication between the Board and the Shareholders, Board members, in particular, either the chairmen of Board Committees or their delegates, appropriate management executives and external auditors (as the case may be) will be available at the meeting to answer any questions raised by the Shareholders.

CORPORATE GOVERNANCE REPORT

The Company has also established a shareholders communication policy to ensure the shareholders are provided with timely information about the Company. The policy is regularly reviewed to ensure its effectiveness.

The Group founded an investor relations function position, with fostering relationship between the Group and its investors and shareholders, providing them with the requisite information and services, responding to their various enquiries in a timely manner, and maintain active and timely communication with them being among his/her main responsibilities.

With a view to enhance investors' understanding of the Group, the Group actively communicates with its investors through various channels, including emails, online results conferences, online brokerage seminars, investor conference calls and company research, etc. During regular and ad hoc online meetings, relevant information and data is provided by the Group's management directly to media reporters, securities analysts, fund managers and investors, etc., whilst their queries are being met timely with full and accurate responses.

Meanwhile, the Group's website and official account are also constantly updated to provide investors and the public with the latest information on all aspects of the Group.

The Company has reviewed its shareholder communication policy, and considered that such policy has been effectively implemented during the year. The Company will continue to improve its relationship with its shareholders and investors so as to further enhance the Company's transparency.

SHAREHOLDERS' RIGHTS

Procedures for the convening of an Extraordinary General Meeting by Shareholders and putting forward proposals and procedures

Under the Memorandum and Articles of Association, an extraordinary general meeting ("EGM") may be convened by the Board upon requisition of one or more Shareholders holding not less than one tenth of the paid up capital of the Company having the right of voting at general meetings of the Company. The Shareholder(s) shall make a written requisition to the Board or the company secretary at the Company's principal place of business in Hong Kong, specifying the shareholding information of the shareholder(s), his/her/its contact details and the proposal regarding any specifying transaction/business and its supporting documents.

If within 21 days of such deposit, the Board fails to proceed to convene such EGM, 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.

Making enquiries to the Board

The Shareholders shall direct their questions about their shareholdings to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

DISCLOSURE OF INSIDE INFORMATION

The Company has developed its disclosure policy to provide a general guide to the Group's Directors, officers, senior management and relevant employees on handling confidential information, monitoring of information disclosure and responding to queries, to ensure that information of the Company is disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. The Group has executed supervision programs to confirm the strict prohibition from unauthorised access to and use of inside information.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company adopted a dividend policy on 23 March 2021. Pursuant to the Company's dividend policy, the dividend payout ratio shall be determined by the Board from time to time. The remaining net profit will be used for the Group's operations and development. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things, the following factors:

- (a) the Company's current and future operations, actual and expected financial performance;
- (b) any corporate development plans;
- (c) the Group's liquidity position, working capital and capital expenditure requirements and future expected capital needs;
- (d) the level of the Group's debt to equity ratio, return on equity and the relevant financial covenants;
- (e) any restrictions on payments of dividends that may be imposed by the Group's lenders or other third parties;
- (f) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (g) general economic conditions, the business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factor that the Board deems appropriate and relevant.

The recommendation of the payment of dividend is subject to the determination of the Board, and any declaration of final dividend for a financial year will be subject to the approval of the shareholders of the Company. The declaration and payment of dividends is also subject to any restrictions under the Companies Law of the Cayman Islands, any applicable laws, rules and regulations, including the Listing Rules, and the Memorandum and Articles of Association of the Company.

STAFF DIVERSITY

The Group had a workforce of 209 employees as of 31 December 2024. Among them, approximately 56.0% of the workforce (including senior management) were female, and 100% of the Group's senior management positions (excluding Directors) were held by female. The Group considers the total diversity (including gender diversity) of the Group is balanced as a whole and intends to maintain a similar level of gender diversity of the overall workforce, and will continue to promote diversity through training programs, employee networks, equitable hiring and recruitment practices.

CONSTITUTIONAL DOCUMENTS

The Memorandum and Articles of Association have been adopted by the Company by way of passing of a special resolution at the AGM held on 20 May 2022, a copy of which is available on the websites of the Company (www.btomorrow.cn) and the Stock Exchange (www.hkexnews.hk).



CORPORATE GOVERNANCE REPORT

PUBLICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT

Disclosures relating to the material ESG issues identified for the year ended 31 December 2024 will be included in the ESG Report pursuant to the requirements of Appendix C2 to the Listing Rules to be published separately. The ESG Report will be available on the Company’s website at www.btomorrow.cn under the “Investor Relations” section; or Hong Kong Exchanges and Clearing Limited’s website at www.hkexnews.hk at the same time as the publication of this annual report.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF BRIGHT FUTURE TECHNOLOGY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Bright Future Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 67 to 128, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2024, 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 ("HKSA") 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 MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

The key audit matter identified in our audit is related to revenue recognition.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition for intelligent marketing solutions services Refer to Note 4(a) and Note 6 to the consolidated financial statements. For the year ended 31 December 2024, the Group recognised revenue of RMB1,039,223,000 from provision of intelligent marketing solutions services, of which RMB1,023,471,000 is recognised on gross basis, and RMB15,752,000 is recognised on net basis. The determination of whether revenue should be reported on a gross or net basis is based on the assessment of whether the Group acts as a principal or an agent in the transactions, taking into account of the nature of specified services and whether the Group controls the specified services before it is transferred to customer. The indicators that an entity controls the specified good or service before it is transferred to the customer include but not limited to (a) the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) the entity bears certain inventory risk; and (c) the entity has discretion in establishing price. We focused on this area due to the significant judgements involved in determining the Group's role as a principal or an agent in the arrangements of intelligent marketing solutions services with customers, which will impact the presentation of revenue and related costs in the consolidated statement of comprehensive income.	We have performed the following procedures to address this key audit matter: • We understood, evaluated and tested, on a sample basis, the key controls in place over management's assessment of whether the Group acts as a principal or an agent in the transactions ("principal-agent assessment"), including management's approval and review of sales contracts. • We discussed with management, understood the business models and the indicators used in principal-agent assessment under different circumstances. We evaluated the appropriateness of both accounting policies and principal-agent assessment under different circumstances for each indicator. • We, on a sample basis, obtained and tested the supporting evidences for each indicator that the management considered in the principal-agent assessment. The supporting evidences include but not limited to contracts with customers and reports generated from data management platform which manages advertisement creation and placement, in order to assess whether the Group is primarily responsible for fulfilling the promise to provide the specified service, establishing price and bears certain inventory risks. • We performed overall evaluation on the appropriateness of the judgement made by the management and considered the weight of the indicators for principal-agent assessment in revenue recognition. Based on the procedures performed, the judgements made by management for principal-agent assessment on revenue from intelligent marketing solutions services were supportable by the evidences we obtained.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include 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 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

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. We report our opinion 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre/>.

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Tse Kit Yan

Audit Engagement Director

Practising Certificate Number P08158

Hong Kong, 27 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTES	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Revenue	6	1,039,223	892,433
Cost of services		(977,924)	(811,888)
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	18	(1,965)	(1,388)
Other gains, net	8	623	4,486
Operating (loss)/profit		(1,580)	24,035
Finance income	10	40	183
Finance costs	10	(3,689)	(2,666)
Finance costs – net		(3,649)	(2,483)
(Loss)/Profit before income tax		(5,229)	21,552
Income tax expense	11	(1,265)	(6,740)
(Loss)/Profit for the year	7	(6,494)	14,812
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
Total comprehensive (loss)/income for the year		(9,177)	15,384
(Loss)/profit for the year attributable to:			
Owners of the Company		(6,494)	14,812
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(9,177)	15,384
(Losses)/earnings per share attributable to owners of the Company			
– Basic (expressed in RMB cents per share)	12	(1.14)	3.08
– Diluted (expressed in RMB cents per share)	12	(1.14)	3.07

The notes on pages 72 to 128 are an integral part of these consolidated financial statements. Details of dividends to owners of the Company are set out in Note 13.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2024 RMB'000	2023 RMB'000
NOTES			
ASSETS			
Non-current assets			
Property, plant and equipment	14	2,731	4,659
Intangible assets	15	330	991
Deposits and prepayments	18	10	10
Deferred income tax assets	19	1,057	751
Financial assets at fair value through other comprehensive income	16	6,300	3,000
Total non-current assets		10,428	9,411
Current assets			
Trade receivables	18	293,728	282,145
Deposits, prepayments and other receivables	18	128,988	137,262
Restricted cash	20	367	4,673
Cash and cash equivalents	20	15,844	45,191
Total current assets		438,927	469,271
Total assets		449,355	478,682
LIABILITIES			
Non-current liabilities			
Borrowings	21	64,510	31,450
Lease liabilities	24	—	912
Deferred income tax liabilities	19	19,358	18,817
Total non-current liabilities		83,868	51,179
Current liabilities			
Trade payables	22	47,776	77,872
Other payables and accruals	23	23,901	25,288
Loans from related parties	30(b)(i)	90,090	90,215
Borrowings	21	18,689	50,650
Contract liabilities	6	22,976	12,854
Lease liabilities	24	1,349	2,227
Current income tax liabilities		18,054	21,087
Total current liabilities		222,835	280,193
Total liabilities		306,703	331,372
EQUITY			
Share capital	25	51,698	42,607
Reserves	26	109,441	115,279
Accumulated losses		(18,487)	(10,576)
Total equity		142,652	147,310
Total equity and liabilities		449,355	478,682

The notes on pages 72 to 128 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 67 to 128 were approved by the Board of Directors on 27 March 2025 and were signed on its behalf.

Dong Hui
Director

Yang Dengfeng
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company			Total equity RMB'000
	Share capital	Reserves	Accumulated losses	
	RMB'000 (Note 25)	RMB'000 (Note 26)	RMB'000	
At 1 January 2023	42,607	112,771	(23,849)	131,529
Profit for the year	–	–	14,812	14,812
Currency translation differences	–	(1,036)	–	(1,036)
Changes in the fair value of financial assets at fair value through other comprehensive income	–	1,608	–	1,608
Total comprehensive income for the year	–	572	14,812	15,384
Transactions with owners:				
Employee share schemes-value of employee services	–	397	–	397
Appropriation for surplus reserve	–	1,539	(1,539)	–
At 31 December 2023	42,607	115,279	(10,576)	147,310
At 1 January 2024	42,607	115,279	(10,576)	147,310
Loss for the year	–	–	(6,494)	(6,494)
Currency translation differences	–	(1,114)	–	(1,114)
Changes in the fair value of financial assets at fair value through other comprehensive income	–	(1,569)	–	(1,569)
Total comprehensive loss for the year	–	(2,683)	(6,494)	(9,177)
Transactions with owners:				
Issue of shares	9,091	4,091	–	13,182
Employee share schemes-value of employee services	–	143	–	143
Appropriation for surplus reserve	–	1,417	(1,417)	–
Repurchase of shares	–	(8,806)	–	(8,806)
At 31 December 2024	51,698	109,441	(18,487)	142,652

The notes on pages 72 to 128 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before income tax		(5,229)	21,552
Adjustments for:			
Depreciation of property, plant and equipment		2,774	3,026
Amortisation of intangible asset		661	660
Finance costs – net		3,649	2,483
Loss on disposals of property, plant and equipment		35	–
Net impairment losses on financial assets		1,965	1,388
Share-based payment expenses		143	397
Operating profit before working capital changes		3,998	29,506
Changes in restricted cash		4,306	1,278
Trade receivables		(13,713)	(102,261)
Deposits, prepayments and other receivables		5,439	(46,176)
Trade payables		(29,272)	65,796
Contract liabilities		10,122	(4,946)
Other payables and accruals		(1,387)	(5,494)
Cash used in operations		(20,507)	(62,297)
Interest received		40	183
Income taxes paid		(4,063)	(2,284)
Net cash used in operating activities		(24,530)	(64,398)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment		(296)	(238)
Proceeds from disposal of property, plant and equipment		223	–
Payments for acquisition of financial assets at fair value through other comprehensive income		(4,869)	–
Receipt of repayments for loans to employees		3,000	–
Net cash used in investing activities		(1,942)	(238)

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings		176,689	160,000
Repayment of loans from related parties		(2,098)	–
Repayment of bank borrowings		(175,590)	(117,670)
Payments for buy-back of issued shares		(8,806)	–
Payments of principal elements of lease payments		(2,598)	(2,260)
Issuance of share capital		13,182	–
Interest paid of bank borrowings and lease		(3,689)	(2,666)
Dividend paid	13	–	(1,523)
Net cash (used in)/from financing activities		(2,910)	35,881
Net decrease in cash and cash equivalents		(29,382)	(28,755)
Cash and cash equivalents at beginning of the year		45,191	74,030
Effects of exchange rate changes on cash and cash equivalents		35	(84)
Cash and cash equivalents at end of the year	20	15,844	45,191

The notes on pages 72 to 128 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

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 consolidated 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 consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Business combinations

The Group applies the acquisition method to account for business combinations except for business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interest issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previously held equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Business combinations *(Continued)*

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Consolidated financial statements is presented in RMB, which is the Company's and the Group's presentation currency. The Company's functional currency is Hong Kong Dollars ("HKD").

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.6 Foreign currency translation *(Continued)*

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income or loss.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and right-of-use assets – leased properties, the shorter lease term as follows:

- | | |
|---|---|
| • Electronic equipment | 3 years |
| • Furniture and fixtures | 5 years |
| • Motor vehicles | 4 years |
| • Leasehold improvements | Shorter of estimated useful lives or remaining lease term |
| • Right-of-use assets – leased properties | Shorter of assets' useful life or the lease term |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.7 Property, plant and equipment *(Continued)*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

2.8 Intangible assets

(a) Software and database

Software and database arise in a business combination are measured at their acquisition-date fair values.

Costs associated with maintaining software and database are recognised as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software and database controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software or database so that it will be available for use;
- management intends to complete the software or database, and use or sell it;
- there is an ability to use or sell the software or database;
- it can be demonstrated how the software or database will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software or database are available; and
- the expenditure attributable to the software or database during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software or database include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Intangible assets *(Continued)*

(b) Research and development expenditures

Research and development expenditures that do not meet the criteria in (a) above are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in subsequent period.

(c) Amortisation method and period

The Group amortises intangible assets using the straight-line method over the shorter of the useful life or license period as follows:

- Software and database 5 years

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.10 Investments and other financial assets *(Continued)*

(b) Recognition and derecognition

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gains, net". Interest income from these financial assets is included in finance income using the effective interest rate method.
- **FVPL:** Assets that do not meet the criteria for amortised cost or financial assets at fair value through OCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.10 Investments and other financial assets *(Continued)*

(c) Measurement *(Continued)*

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as "other income" when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at fair value through OCI are not reported separately from other changes in fair value.

Changes in the fair value of FVPL are recognised in "other gains, net" in profit or loss as applicable.

(d) Impairment

The Group has trade and other receivables which are financial assets subject to HKFRS 9's expected credit loss model.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.12 Trade and other receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 18 for further information about the Group's accounting for trade and other receivables and Note 2.10(d) for a description of the Group's impairment policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.17 Current and deferred income tax *(Continued)*

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.18 Employee benefits

(a) Pension obligations

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.18 Employee benefits *(Continued)*

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.19 Share-based payments

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement date and grant date.

The grant by the Company of its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Share-based payments *(Continued)*

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancelation of some or all the equity instruments granted).

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.20 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognised as interest expense.

2.21 Revenue recognition

The Group provides intelligent marketing solutions services to customers in the PRC. Revenue from providing services is recognised when the services are rendered based on the specific terms of the contract.

The Group earns revenue from the business model of intelligent marketing solutions services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.21 Revenue recognition *(Continued)*

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. In determining whether the Group acts as the principal or an agent, the Group follows the accounting guidance for principal-agent considerations in HKFRS 15. Such determination involves judgment and is based on an evaluation of the terms of each arrangement as follows:

(a) Intelligent marketing solutions services

The Group generates revenue from providing intelligent marketing solutions services to the Group's advertisers. The services include traffic acquisition from top media platforms (i.e. media publishers or advertising agents), content production, raw data analysis and advertising campaign optimisation. The Group charges the advertisers based on specified action such as download, installation, registration of the mobile device users ("cost per action" or "CPA"), sales of the advertisers ("cost per sale" or "CPS"), cost per download ("CPD"), cost per click ("CPC") or cost per mille ("CPM"); and the costs charged by the media publishers or advertising agents to the Group vary based on CPA, CPS, or the monetary value of virtual tokens which are consumed for procuring advertisement inventories and based on CPD, CPC or CPM.

(i) Integrated intelligent marketing solutions services – gross method

For revenue from providing integrated intelligent marketing solutions services, while none of the factors individually are considered presumptive or determinative, the Group controls the specified service before that service is transferred to a customer and is the principal in this arrangement because: (i) the Group is primarily responsible for identifying and contracting with third-party advertisers which the Group view as customers, and delivering the specified integrated intelligent marketing solutions services to the advertisers; (ii) in some instances, the Group is subject to certain risk of loss to the extent that the cost incurred for producing contents, formulating advertisement campaign and acquiring user traffic from media publishers or advertising agents cannot be compensated by the total consideration obtained from the advertisers, which is similar to inventory risk; and (iii) the Group is responsible for performing all the billing and collection activities, including retaining credit risk. Therefore, the Group reports revenue earned from the advertisers and costs paid to the media publishers or advertising agents related to these transactions on a gross basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.21 Revenue recognition *(Continued)*

(a) Intelligent marketing solutions services *(Continued)*

(ii) Influential placement services – net method

For revenue from providing specific component (i.e. influential placement) of intelligent marketing solutions services, the Group is not the principal in this arrangement as it does not control the specified service before that service is transferred to an advertiser, because (i) the Group does not have the latitude to select media publisher which is designated in the contract with the advertiser; (ii) the media advertisement space is not owned by the Group, and the Group does not have any commitments to purchase the advertising space, and therefore the Group does not have inventory risk; and (iii) the Group charges the advertisers based on CPC, CPD, CPT or CPM, which is the same pricing mechanism that the media publishers or advertising agents charge the Group, and measured by the monetary value of virtual tokens consumed for procuring advertisement inventories, although the Group has discretion in determining the price charged to the advertiser. Therefore, the Group determines it is the agent in the transaction based on the weight of the aforementioned factors. The Group reports the amount received from the advertisers and the amounts paid to the media publishers or advertising agents related to these transactions on a net basis.

2.22 Lease

The Group leases properties. Rental contracts are typically made for fixed periods of 1 to 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance costs. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.22 Lease *(Continued)*

The lease payments are discounted using the incremental borrowing rate. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2.24 Dividend distribution

Dividend distribution to the equity holders is recognized as a liability in the Company's and the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), price risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management of the Group and approved by the board of directors.

(a) Market risk

(i) Foreign exchange risk

Instrument used by the Group

The Group is exposed to foreign exchange risk, primarily the HKD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The foreign currency exposure has not been hedged.

Exposure

The Group's exposure to foreign currency risk at the end of each reporting period, expressed in RMB, was as follows:

Currency denomination	Assets As at 31 December		Liabilities As at 31 December	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
HKD	372	306	–	–
USD	7	268	–	32
	379	574	–	32

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in HKD/RMB exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from HKD denominated cash and payables.

	As at 31 December	
	2024 RMB'000	2023 RMB'000
HKD/RMB exchange rate – increase (10%)	37	31
HKD/RMB exchange rate – decrease (10%)	(37)	(31)

The Group's exposure to other foreign exchange movements is not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) Interest rate risk

Interest rate risks include fair value interest rate risks and cash flow interest rate risk.

The Group's fair value interest rate risk arises from its bank deposits, borrowings with fixed interest rates and lease liabilities. Other than interest-bearing bank deposits, borrowings with fixed interest rates and lease liabilities, the Group has no other significant interest-bearing assets and liabilities. The directors of the Company do not anticipate there is any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits and borrowings with fixed rates are not expected to change significantly.

The Group's cash flow interest rate risk primarily relates to variable-rate bank borrowings. At 31 December 2024, if interest rates at that date had been 10 basis points lower/higher with all other variables held constant, consolidated profit after tax for the year would have been RMB31,000 (31 December 2023: RMB38,000) higher/lower, arising mainly as a result of the decrease of the principal of variable-rate bank borrowings.

(b) Credit risk

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents placed with banks, trade and other receivables, as well as investment in wealth management products recognized as financial assets at fair value through profit or loss. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage risk arising from cash and cash equivalents and financial assets at fair value through profit or loss, the Group only transacts with state-owned or reputable financial institutions in mainland China. There has been no recent history of default in relation to these financial institutions.

The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Internal credit rating;
- External credit rating;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations.

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. The Group's management divides customers into different categories and reviews regularly the recoverable amount of receivables to ensure that adequate impairment losses are made for irrecoverable amounts. As at 31 December 2024 and 2023, the loss allowance provision for trade receivables is disclosed in Note 18.

The expected loss rates are based on historical credit loss experience adjusted to reflect current and forward-looking information mentioned above affecting the ability of the customers to settle the receivables.

(i) Credit risk of trade receivables

For the year ended 31 December 2024, the expected credit losses rate of trade receivables from third parties are determined as follows:

	Current	Up to 3 months past due	3 to 6 months past due	6 months to 1 year past due	1 year to 2 years past due	Over 2 years past due	Total
Expected loss rate	0.17%	0.56%	1.67%	11.51%	33.99%	100.00%	
Gross carrying amount (RMB'000)	215,177	40,588	22,425	15,269	4,537	1,007	299,003
Loss allowance provision (RMB'000)	366	227	375	1,758	1,542	1,007	5,275

For the year ended 31 December 2023, the expected credit losses rate of trade receivables from third parties are determined as follows:

	Current	Up to 3 months past due	3 to 6 months past due	6 months to 1 year past due	1 year to 2 years past due	Over 2 years past due	Total
Expected loss rate	0.22%	0.90%	1.51%	18.04%	43.90%	100.00%	
Gross carrying amount (RMB'000)	238,608	29,037	10,284	5,122	1,709	530	285,290
Loss allowance provision (RMB'000)	525	261	155	924	750	530	3,145

During the year ended 31 December 2023, the Group entered into factoring arrangements to increase liquidity by pledging certain trade receivables due from a customer to a commercial bank in mainland China.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) Credit risk of other receivables

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. Impairment on other receivables is measured as 12-month expected credit losses. The 12-month expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the loss allowance will be based on the lifetime expected credit loss.

Management has performed assessment on the recoverability of these balances and do not identify events leading to significant increase in credit risk since origination. In calculating the expected credit loss rates, the management considers the historical loss rates for employees, and adjusts for forward-looking macroeconomic data. The Group formulates the credit losses of other receivables using ECL models according to HKFRS 9 requirements.

Parameters of ECL model

The parameters and assumptions involved in ECL model are described below:

The Group considers the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, 12-month or lifetime ECL are provided respectively. The ECL is the result of discounting the product of Exposure at Default (EAD), Probability of Default (PD) and Loss given Default (LGD).

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the Lifetime. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grading band. This is supported by historical analysis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) Credit risk of other receivables *(Continued)*

Parameters of ECL model *(Continued)*

The Group uses three stages for other receivables which reflect their credit risk and how the credit loss provision is determined for each of those categories. A summary of the assumptions underpinning the company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision
Stage 1 – performing	Deposits and other receivables whose credit risk is in line with original expectations	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.
Stage 2 – underperforming	Deposits and other receivables for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due or adverse changes in solvency and operational capabilities. (see below in more detail)	Lifetime expected losses.
Stage 3 – non-performing (credit impaired)	Interest and/or principal repayments are 90 days past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

(ii) Credit risk of other receivables *(Continued)*

As at 31 December 2024 and 2023, the loss allowance provision for other receivables was determined as follows:

Stage	As at 31 December 2024			Carrying amount (net of impairment provision) RMB'000
	Average expected credit loss rate	Gross amount RMB'000	Impairment provision RMB'000	
Stage 1	1.76%	46,941	(825)	46,116
Stage 3	100.00%	–	–	–
		46,941	(825)	46,116

Stage	As at 31 December 2023			Carrying amount (net of impairment provision) RMB'000
	Average expected credit loss rate	Gross amount RMB'000	Impairment provision RMB'000	
Stage 1	1.84%	53,816	(990)	52,826
Stage 3	100.00%	–	–	–
		53,816	(990)	52,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the senior management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Total <i>RMB'000</i>	Carrying amount <i>RMB'000</i>
At 31 December 2024					
Borrowings	21,601	31,452	35,752	88,805	83,199
Loans from related parties	90,090	–	–	90,090	90,090
Trade payable	47,776	–	–	47,776	47,776
Other payables and accruals (excluding payroll and welfare payables and other tax payable)	6,015	–	–	6,015	6,015
Lease liabilities	1,374	–	–	1,374	1,349
	166,856	31,452	35,752	234,060	228,429
At 31 December 2023					
Borrowings	50,942	3,349	31,055	85,346	82,100
Loans from related parties	90,215	–	–	90,215	90,215
Trade payable	77,872	–	–	77,872	77,872
Other payables and accruals (excluding payroll and welfare payables and other tax payable)	4,669	–	–	4,669	4,669
Lease liabilities	2,374	1,006	–	3,380	3,139
	226,072	4,355	31,055	261,482	257,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (Note 28(b)) divided by total equity. As at 31 December 2024 and 2023, the gearing ratio of the Group is 111.3% and 88.4%, respectively.

3.3 Fair value estimation

The Group's financial instruments are carried at fair value as at balance sheet dates, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value as at 31 December 2024 and 2023.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2024				
Financial assets at fair value through other comprehensive income (Note 16)	–	–	6,300	6,300
As at 31 December 2023				
Financial assets at fair value through other comprehensive income (Note 16)	–	–	3,000	3,000

The fair value of level 3 was determined by market approach with a combination of observable and unobservable inputs. The significant unobservable input is discount for lack of marketability ("DLOM"), the higher the DLOM, and the lower the fair value of the financial assets at fair will be.

During the years ended 31 December 2024 and 2023, there was no transfer between level 1, 2 and 3 for recurring fair value measurements.

Valuation processes of the Group (Level 3)

The Group performs valuation on these level 3 instruments for financial reporting purposes. On an annual basis, the team adopts market valuation method to determine the fair value of the Group's level 3 instruments.

The components of the level 3 instruments mainly include investments in unlisted investments. As these instruments are not traded in an active market, their fair values have been determined using market valuation method. Major assumptions used in the valuation include historical financial results, financial performance of the investee company, and market value of comparable companies, etc.

The unlisted investment represents the investment in a privately owned company. The Group used market valuation approach to evaluate the fair value of the unlisted investments as at 31 December 2024.

The following table presents the changes in level 3 items including investment in unlisted equity securities for the year ended 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets at fair value through other comprehensive income

	2024 RMB'000	2023 RMB'000
As 1 January	3,000	1,392
Additions	4,869	–
Changes in fair value	(1,569)	1,608
As at 31 December	6,300	3,000

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

Description	Fair value at 31 December 2024 RMB'000	Fair value at 31 December 2023 RMB'000	Unobservable inputs	Range of input at 31 December 2024	Relationship of unobservable inputs to fair value
Investments in unlisted equity securities included in financial assets at FVOCI	1,500	3,000	Price-to-sales ratio	0.57x (2023: 0.37x)	Increasing the price-to-sales ratio by 5% would increase the fair value by approximately RMB75,000 (2023: RMB150,000); and decreasing the price-to- sales ratio by 5% would decrease the fair value by approximately RMB75,000 (2023: RMB150,000)
	4,800	–	Price-to-sales ratio	1.57x (2023: N/A)	Increasing the price-to-sales ratio by 5% would increase the fair value by approximately RMB240,000 (2023: nil); and decreasing the price-to-sales ratio by 5% would decrease the fair value by approximately RMB240,000 (2023: nil)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

If the fair values of financial assets at FVOCI held by the Group had been 10% higher/lower, the total comprehensive income for the year ended 31 December 2024 would have been approximately RMB630,000 (2023: RMB300,000) higher/lower.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows.

(a) Gross versus net assessment in revenue recognition

As disclosed in Note 2.21, the Group provides intelligent marketing solutions services to its customers using different business models, which involves the assessment of revenue recognition on a gross or net basis, i.e. principal versus agent assessment in different business models. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified service before it is transferred to the customer, the indicators of which include but not limited to: (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on different circumstances.

(b) Impairment for trade receivables

Management assesses the impairment of trade receivables according to the trade receivables' aging, management's prior experiences and customers' conditions as well as applying management's judgments and estimates when determining the impairment to be recognised. The impairment provisions for trade receivables are based on assumptions about the expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to profit or loss. Management reassesses the provision at each balance sheet date. Where the basis of judgments and estimates is different from the initial assessment, such differences will impact the provision for impairment and the carrying values of the trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Current and deferred income taxes

The Group is subject to income taxes in the PRC. Judgement is required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

5 SEGMENT INFORMATION

The Group is principally engaged in the provision of intelligent marketing solutions services in the PRC. For the purpose of resources allocation and performance assessment, the CODM focuses on the operating results of the Group as a whole. As a result, the CODM considers that the Group's business is operated and managed as a single reportable segment and accordingly no segment information is presented.

6 REVENUE

Revenue comprises proceeds from providing intelligent marketing solutions services and 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 RMB'000	2023 RMB'000
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	1,039,223	892,433

The timings of revenue recognition by category is as follows:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

6 REVENUE *(Continued)*

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.

(a) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Contract liabilities	22,976	12,854

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided as at the reporting date.

The revenue recognised in the current reporting period relates to the contract liabilities that were included in the balance at the beginning of the year amounted to RMB10,710,000 (2023: RMB16,100,000).

(b) Transaction price allocated to unsatisfied long-term contract

The Group has no revenue contract that has an original expected duration of more than one year, thus management applied practical expedient under HKFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied at the end of each reporting period.

(c) Assets recognised from costs to fulfil a contract

During the years ended 31 December 2024 and 2023, the incremental costs incurred to obtain contracts was not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

7 (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 RMB'000	2023 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 (Note 9)):		
– Wages, salaries and other benefits	41,821	42,794
– Share-based compensation (Note 27)	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
	48,584	49,164
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)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

8 OTHER GAINS, NET

	Year ended 31 December	
	2024 RMB'000	2023 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	–
	623	4,486

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.

9 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) 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) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	3,460	3,597
Discretionary bonus	140	483
Pension costs – defined contribution plans	146	78
Other social security costs, housing benefits and other employee benefits	187	96
	3,933	4,254

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

9 DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executive's remuneration (Continued)

Remuneration of each director and the chief executive's is set out below:

	Salaries, allowances and benefits in kind RMB'000	Discretionary bonus RMB'000	Pension cost-defined contribution plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
For the year ended 31 December 2024					
<i>Chairman and Chief Executive Officer:</i>					
Mr. Dong Hui	1,551	–	37	51	1,639
<i>Executive directors:</i>					
Mr. Yang Dengfeng	683	–	37	52	772
Ms. Gao Yuqing	349	140	37	36	562
Mr. Cen Senhui	493	–	35	48	576
<i>Independent non-executive directors:</i>					
Mr. Liu Kinwai	164	–	–	–	164
Mr. Wei Haiyan	110	–	–	–	110
Mr. Lin Sen	110	–	–	–	110
	3,460	140	146	187	3,933

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

9 DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executive's remuneration (Continued)

	Salaries, allowances and benefits in kind RMB'000	Discretionary bonus RMB'000	Pension cost-defined contributions plan RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
For the year ended 31 December 2023					
<i>Chairman and Chief Executive Officer:</i>					
Mr. Dong Hui	1,606	144	13	13	1,776
<i>Executive directors:</i>					
Mr. Yang Dengfeng	712	–	18	34	764
Ms. Gao Yuqing	349	140	13	13	515
Mr. Cen Senhui	551	199	34	36	820
<i>Independent non-executive directors:</i>					
Mr. Liu Kinwai	162	–	–	–	162
Mr. Wei Haiyan	108	–	–	–	108
Mr. Zhang Fanchen (Note (i))	45	–	–	–	45
Mr. Lin Sen (Note (ii))	64	–	–	–	64
	3,597	483	78	96	4,254

Notes:

(i) Mr Zhang Fanchen resigned as independent non-executive director of the Company on 30 May 2023.

(ii) Mr. Lin Sen was appointed as independent non-executive director of the Company on 30 May 2023.

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors during the years ended 31 December 2024 and 2023.

(c) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available Directors' services subsisted at the end of each reporting period or at any time during the years ended 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

9 DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(d) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

Other than those disclosed in Note 30, no loans, quasi-loans or other dealings are entered into by the Company in favor of directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 December 2024 and 2023.

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the years ended 31 December 2024 and 2023.

Five highest paid individual

The five individuals whose emoluments were the highest in the Group include 2 directors for the year ended 31 December 2024 (2023: 3). The emoluments payable to the remaining 3 individual for the year ended 31 December 2024 (2023: 2) are as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Salaries, allowances, and benefits in kind	2,644	2,146
Discretionary bonus	428	835
Pension costs – defined contribution plans	107	70
Other social security costs, housing benefits and other employee benefits	105	71
	3,284	3,122

The emoluments fell within the following bands:

	Year ended 31 December	
	2024	2023
Emoluments bands:		
Nil to HKD1,000,000	2	1
HKD1,500,001 to HKD2,000,000	1	–
HKD2,000,001 to HKD2,500,000	–	1

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the years ended 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

10 FINANCE COSTS – NET

	Year ended 31 December	
	2024 RMB'000	2023 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)
	(3,689)	(2,666)
Finance costs – net	(3,649)	(2,483)

11 INCOME TAX EXPENSE

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Current income tax		
– Provision for the year	3	6,578
– Under provision in prior years	1,027	–
Deferred income tax (<i>Note 19</i>)	235	162
Income tax expense	1,265	6,740

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

11 INCOME TAX EXPENSE *(Continued)*

(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.

The taxation on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended 31 December 2024 and 2023, as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
(Loss)/profit before income tax expense	(5,229)	21,552
Tax calculated at the statutory PRC tax rate of 25%	(1,307)	5,388
Effects of different tax rates in other jurisdictions	1,280	1,436
Tax losses for which no deferred income tax asset was recognised	6,711	2,862
Tax effect of expenses not deductible for tax purpose	416	1,119
Tax effect of utilisation of tax losses not previously recognised	(247)	(3,791)
Super deduction of research and development expenses	(7,157)	(636)
Withholding tax on unremitted retained earnings	542	362
Under-provision in prior years	1,027	–
Income tax expense	1,265	6,740

12 (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

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For the year ended 31 December 2024

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

(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 (<i>RMB'000</i>)	14,812
Weighted average number of ordinary shares in issue (<i>thousands</i>)	480,781
Adjustments of employee incentive plan (<i>thousands</i>)	1,215
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (<i>thousands</i>)	481,996
Diluted earnings per share (<i>in RMB cents</i>)	3.07

13 DIVIDENDS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

14 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Right-of-use assets – leased offices <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024						
At 1 January 2024:						
Cost	655	2,103	332	2,239	9,335	14,664
Accumulated depreciation	(435)	(1,594)	(263)	(1,483)	(6,230)	(10,005)
Net carrying amount	220	509	69	756	3,105	4,659
At 1 January 2024, net of accumulated depreciation	220	509	69	756	3,105	4,659
Additions	29	4	–	263	808	1,104
Disposals	–	(170)	–	(88)	–	(258)
Depreciation charge	(16)	(173)	(53)	(510)	(2,022)	(2,774)
At 31 December 2024, net of accumulated depreciation	233	170	16	421	1,891	2,731
At 31 December 2024:						
Cost	684	1,937	332	2,414	10,143	15,510
Accumulated depreciation	(451)	(1,767)	(316)	(1,993)	(8,252)	(12,779)
Net carrying amount	233	170	16	421	1,891	2,731
31 December 2023						
At 1 January 2023:						
Cost	655	1,865	332	2,239	5,133	10,224
Accumulated depreciation	(394)	(1,278)	(184)	(1,349)	(3,799)	(7,004)
Net carrying amount	261	587	148	890	1,334	3,220
At 1 January 2023, net of accumulated depreciation	261	587	148	890	1,334	3,220
Additions	–	238	–	–	4,302	4,540
Disposals	–	–	–	–	(75)	(75)
Depreciation charge	(41)	(316)	(79)	(134)	(2,456)	(3,026)
At 31 December 2023, net of accumulated depreciation	220	509	69	756	3,105	4,659
At 31 December 2023:						
Cost	655	2,103	332	2,239	9,335	14,664
Accumulated depreciation	(435)	(1,594)	(263)	(1,483)	(6,230)	(10,005)
Net carrying amount	220	509	69	756	3,105	4,659

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

14 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Depreciation of the Group's property, plant and equipment has been recognised as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Cost of services	2,081	2,379
Selling and distribution expenses	166	88
General and administrative expenses	527	559
	2,774	3,026

15 INTANGIBLE ASSETS

	Software and database RMB'000
At 1 January 2024	
Cost	1,981
Accumulated amortisation	(990)
Net book amount	991
Year ended 31 December 2024	
Opening net book amount	991
Additions	–
Amortisation charge	(661)
Closing net carrying amount	330
At 31 December 2024	
Cost	1,981
Accumulated amortisation	(1,651)
Net carrying amount	330
At 1 January 2023	
Cost	1,981
Accumulated amortisation	(330)
Net carrying amount	1,651
Year ended 31 December 2023	
Opening net carrying amount	1,651
Additions	–
Amortisation charge	(660)
Closing net carrying amount	991
At 31 December 2023	
Cost	1,981
Accumulated amortisation	(990)
Net carrying amount	991

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVOCI”)

Financial asset at FVOCI comprises the following individual investment:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Equity investment in an unlisted entity (<i>Note</i>)	6,300	3,000

Movement of financial asset at FVOCI is analysed as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
At beginning of the year	3,000	1,392
Additions	4,869	–
Changes in fair value	(1,569)	1,608
At end of the year	6,300	3,000

Note: During the year ended 31 December 2024, the Group invested in an unlisted entity at a consideration of approximately RMB4,869,000. The companies are principally engaged in Internet-related businesses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

17 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Financial assets		
Financial assets at amortised cost		
Trade receivables (Note 18(a))	293,728	282,145
Deposits, prepayments and other receivables (excluding prepayments) (Note 18(b))	46,116	54,412
Restricted cash	367	4,673
Cash and cash equivalents (Note 20)	15,844	45,191
Financial assets at fair value through other comprehensive income (Note 16)	6,300	3,000
	362,355	389,421
Financial liabilities		
Financial liabilities at amortised cost		
Loans from related parties (Note 30(b)(i))	90,090	90,215
Borrowings (Note 21)	83,199	82,100
Trade payables (Note 22)	47,776	77,872
Other payables and accruals (excluding payroll and welfare payables and other tax payable) (Note 23)	6,015	4,669
Lease liabilities (Note 24)	1,349	3,139
	228,429	257,995

The carrying amounts of the financial instruments approximated their fair values at 31 December 2024 and 2023.

18 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(a) Trade receivables

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

18 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

(a) Trade receivables *(Continued)*

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 RMB'000	2023 RMB'000
At the beginning of the year	3,145	1,833
Impairment provision	2,130	1,312
At the end of the year	5,275	3,145

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 RMB'000	2023 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
	299,003	285,290

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 21.

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. Details of the loss allowance provision are presented in Note 3.1(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

18 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

(b) Deposits, prepayments and other receivables

	As at 31 December	
	2024 RMB'000	2023 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 <i>(Note 30(b))</i>	2,201	2,141
Value-added tax recoverable	2,848	1,565
Others	3,867	2,761
Loss allowance <i>(Note 3.1(b))</i>	(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 RMB'000	2023 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 RMB'000	2023 RMB'000
Trade receivables	2,130	1,312
Other receivables	(165)	76
	1,965	1,388

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

19 DEFERRED INCOME TAX ASSETS/(LIABILITIES)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority.

During the years ended 31 December 2024 and 2023, there is no offsetting of deferred income tax assets and deferred income tax liabilities. The amounts are shown on the consolidated statements of financial position as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Deferred income tax assets	1,057	751
Deferred income tax liabilities	(19,358)	(18,817)

Movement in deferred income tax assets and liabilities during the years ended 31 December 2024 and 2023 is as follows:

	Deferred income tax assets	Deferred income tax liabilities
	Allowance for doubtful debts RMB'000	Withholding tax (Note (a)) RMB'000
At 1 January 2024	751	(18,817)
Credited/(charged) to profit or loss	306	(541)
As at 31 December 2024	1,057	(19,358)
At 1 January 2023	551	(18,455)
Credited/(charged) to profit or loss	200	(362)
As at 31 December 2023	751	(18,817)

Notes:

- (a) Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to a withholding income tax of 10%.

During the year ended 31 December 2024 and 2023, deferred income tax liabilities amounting to RMB541,000 and RMB362,000, had been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries in the PRC, as these earnings are expected to be distributed by the PRC subsidiaries and would be remitted to their overseas holding companies in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

19 DEFERRED INCOME TAX ASSETS/(LIABILITIES) (CONTINUED)

Notes: (Continued)

- (b) Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. The Group did not recognise deferred income tax assets of RMB18,171,000 and RMB12,708,000 in respect of accumulated tax losses amounting to RMB83,035,000 and RMB55,722,000 as at 31 December 2024 and 2023 respectively in certain of the Group's subsidiaries, which can be carried forward to offset against future taxable income, except for RMB18,675,000 and RMB14,380,000 have no expiry date, all of which will expire before 2029 and 2028 respectively.

20 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Cash at bank (a)	15,844	45,191
Restricted cash (b)	367	4,673

- (a) Cash at bank are denominated in the following currencies:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
RMB	15,148	44,455
HKD	678	468
USD	18	268
	15,844	45,191

(b) Restricted cash

As at 31 December 2024 and 2023, the restricted cash mainly represents the cash balance held by an employee share trust controlled and consolidated by the Company.

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For the year ended 31 December 2024

21 BORROWINGS

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

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 RMB'000	2023 RMB'000
Within 1 year	18,689	50,650
Between 1 and 2 years	29,410	2,040
After 2 years	35,100	29,410
	83,199	82,100

The pledge and guarantee related to borrowings is as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
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	–	5,600
	83,199	82,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

22 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 RMB'000	2023 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
	47,776	77,872

23 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024 RMB'000	2023 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
	23,901	25,288

24 LEASE LIABILITIES

Amounts recognised in the statements of financial position

	Lease payments		Present value of lease payments	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Within one year	1,374	2,374	1,349	2,227
In the second to fifth years, inclusive	—	1,006	—	912
	1,374	3,380		
Less: Future finance charges	(25)	(241)		
Present value of lease liabilities	1,349	3,139	1,349	3,139
Less: Amount due for settlement within 12 months (shown under current liabilities)			(1,349)	(2,227)
Amount due for settlement after 12 months			—	912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

24 LEASE LIABILITIES *(Continued)*

Amounts recognised in the statements of financial position *(Continued)*

The weighted average incremental borrowing rates applied to lease liabilities at 4.35% (2023: 7.2%).

Interest expense in relation to the lease liabilities of RMB167,000 have been included in the finance costs for the year ended 31 December 2024 (2023: RMB184,000).

The total cash outflow from financing activities for the payment of lease liabilities for the years ended 31 December 2024 and 2023 were RMB2,765,000 and RMB2,444,000, respectively, and the total cash outflow from operating activities for short-term lease payments in 2024 and 2023 were RMB24,000 and RMB31,000, respectively.

25 SHARE CAPITAL

	Number of shares	Nominal value of shares HK\$
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Authorised:

At 31 December 2024 and 31 December 2023 (HK\$0.10 per share)	2,000,000,000	200,000,000
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	Number of shares	Nominal value of shares HK\$	Equivalent nominal value of shares RMB'000
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Issued and fully paid:

At 1 January 2023 and at 31 December 2023	500,000,000	50,000,000	42,607
Issue new shares	100,000,000	10,000,000	9,091
At 31 December 2024	600,000,000	60,000,000	51,698

On 27 December 2023, the Company entered into two subscription agreements with two subscribers, pursuant to which the subscribers has conditionally agreed to subscribe for an aggregate of 100,000,000 subscription shares at the price of HKD0.145 per subscription share with the total consideration of HKD14,500,000. The subscription was completed on 22 January 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

26 RESERVES

	Share Premium RMB'000	Surplus reserve RMB'000	Exchange reserve RMB'000	Capital reserve RMB'000	Share-based compensation reserves RMB'000	Shares held for share award scheme RMB'000	Other reserve RMB'000	Total reserves RMB'000
At 1 January 2024	54,945	20,729	(5,240)	4,860	1,557	(19,280)	57,708	115,279
Issue of shares	4,091	-	-	-	-	-	-	4,091
Changes in fair value of financial assets at FVOCI, net of tax (Note 16)	-	-	-	-	-	-	(1,569)	(1,569)
Employee share schemes-value of employee services (Note 27)	-	-	-	-	143	-	-	143
Shares vested for share award scheme (Note 27)	984	-	-	-	(1,700)	716	-	-
Repurchase of shares	-	-	-	-	-	(8,806)	-	(8,806)
Appropriation for surplus reserve (Note (a))	-	1,417	-	-	-	-	-	1,417
Currency translation differences	-	-	(1,114)	-	-	-	-	(1,114)
At 31 December 2024	60,020	22,146	(6,354)	4,860	-	(27,370)	56,139	109,441
At 1 January 2023	54,945	19,190	(4,204)	4,860	1,160	(19,280)	56,100	112,771
Changes in fair value of financial assets at FVOCI, net of tax (Note 16)	-	-	-	-	-	-	1,608	1,608
Employee share schemes-value of employee services (Note 27)	-	-	-	-	397	-	-	397
Appropriation for surplus reserve (Note (a))	-	1,539	-	-	-	-	-	1,539
Currency translation differences	-	-	(1,036)	-	-	-	-	(1,036)
At 31 December 2023	54,945	20,729	(5,240)	4,860	1,557	(19,280)	57,708	115,279

(a) Appropriation for surplus reserve

In accordance with the PRC Company Law and the articles of association of the Group's PRC subsidiary, the PRC subsidiary is required to appropriate 10% of their profits after tax, as determined in accordance with Accounting Standards for Business Enterprises and other applicable regulations, to the statutory surplus reserve until such reserve reaches 50% of its registered capital. The appropriation to the reserve must be made before any distribution of dividends to shareholders of the PRC subsidiaries. Apart from the statutory surplus reserve, discretionary surplus reserve can be appropriated according to the resolution of shareholders' meeting. The surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the PRC subsidiary's capital provided that the amount of surplus reserve remaining after the capitalisation shall not be less than 25% of its capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

26 RESERVES (Continued)

(b) Contribution from shareholders

On 13 July 2021, the Controlling Shareholders transferred: (i) an aggregate of 3,855,381 shares of the Company for the purpose of sponsoring 2021 Share Award Scheme of the Group to Futu Trustee which is an employee share trust controlled by the Company, and (ii) an aggregate of 38,216,850 shares of the Company for 2021 C-star Share Award of the Group to a company owned by two employees of the Group. These transactions were regarded as contributions from the Controlling Shareholders and were recognised as other reserve using the fair value of the Company's shares prevailing.

(c) Repurchase of shares

During the year of 2024, Futu Trustee purchased an aggregate of 14,098,000 shares at a total consideration of approximately HKD6,499,178, from an independent third party for the purpose of the share award scheme. The average price was HKD0.461 per share.

During the year of 2024, Futu Trustee also purchased an aggregate of 7,978,000 shares at a total consideration of approximately HKD2,745,160. These shares were acquired at the prevailing market price. The highest price was HKD0.43 per share and the lowest price was HKD0.25 per share.

As at 31 December 2024, the number of shares held for share award is 39,760,809 (31 December 2023: 18,724,530) shares.

27 SHARE-BASED PAYMENTS

(a) 2021 Share Award Plan

On 13 July 2021, the shareholder of the Company, Brilliant League which is wholly-owned by one of the Controlling Shareholders, Mr. Dong, transferred a total of 3,855,381 shares to Futu Trustee, an employee share trust controlled by the Company. On 20 July 2021, the Board resolved to grant 3,855,381 shares held by Futu Trustee to 40 employees of the Group at nil consideration.

The shares awarded to the aforesaid employees are subject to a vesting schedule in tranches from the grant date over a certain service period, on condition that employees remain in service without any performance requirements.

The total amount to be expensed is determined by reference to the market price of the Company's shares at the grant date. The Group recorded RMB143,000 (2023: RMB397,000) share-based compensation expense accordingly during 2024 (Note 26).

Movement in the number of awarded shares for the year ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December	
	2024	2023
At the beginning of the year	1,100,028	2,243,391
Vested	(1,021,259)	(898,085)
Forfeited	(78,769)	(245,278)
At the end of the year	–	1,100,028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

28 CASH FLOW INFORMATION

(a) Non-cash from investing and financing activities

During the year, the Group had non-cash addition to right-of-use assets and lease liabilities of RMB808,000 (2023: RMB4,042,000) and RMB808,000 (2023: RMB4,042,000), respectively, in respect of lease contract.

(b) Reconciliation of liabilities generated from financing activities

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Cash and cash equivalents	15,844	45,191
Borrowings – repayable within 1 year	(18,689)	(50,650)
Borrowings – repayable after 1 year	(64,510)	(31,450)
Loans from related parties	(90,090)	(90,215)
Lease liabilities	(1,349)	(3,139)
Net debt	(158,794)	(130,263)

	Lease liabilities RMB'000	Borrowings RMB'000	Loans from related parties RMB'000	Total RMB'000
At 1 January 2023	(1,357)	(39,770)	(88,926)	(130,053)
Changes in cash flows	2,444	(39,848)	–	(37,404)
Non-cash changes				
– additions	(4,042)	–	–	(4,042)
– interest charged	(184)	(2,482)	–	(2,666)
– exchange differences	–	–	(1,289)	(1,289)
At 31 December 2023 and 1 January 2024	(3,139)	(82,100)	(90,215)	(175,454)
Changes in cash flows	2,765	2,423	2,098	7,286
Non-cash changes				
– Addition	(808)	–	–	(808)
– interest charged	(167)	(3,522)	–	(3,689)
– exchange differences	–	–	(1,973)	(1,973)
At 31 December 2024	(1,349)	(83,199)	(90,090)	(174,638)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

29 COMMITMENT

Capital commitments

The Group did not have any material capital commitments as at 31 December 2024 and 2023.

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere, the Group entered into the following significant related party transactions.

During the years ended 31 December 2024 and 2023, the directors are of the view that the following are related parties of the Group.

(a) Transactions with related parties

(i) Key management personnel compensation

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Salaries, allowances, and benefits in kind	3,428	3,536
Discretionary bonus	280	623
Other social security costs, housing benefits and other employee benefits	224	120
Pension costs – defined contribution plans	182	101
	4,114	4,380

(b) Balances with related parties

(i) Loans from related parties

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

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. Loans from Mr. Dong were unsecured, interest free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

(i) Loans from related parties (Continued)

Notes: (Continued)

- (b) As at 31 December 2024, the loans were mainly financed by Highland Triumph Limited, which is wholly owned by Mr. Yang. Loans from Mr. Yang were unsecured, interest free and repayable on demand.

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Beginning of the year	90,215	88,926
Repayments	(2,098)	–
Foreign currency translation	1,973	1,289
End of the year	90,090	90,215

(ii) Loan to a shareholder and director

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Beginning of the year	2,141	2,107
Foreign currency translation	60	34
End of the year	2,201	2,141

The information about loans of the Group, in favour of Mr. Dong Hui and directors are as follows:

Name of the borrower	Nature of connection	Total amount receivable RMB'000	Aggregate outstanding amounts at the beginning of the year RMB'000	Aggregate outstanding amounts at the end of the year RMB'000	Maximum outstanding during the year RMB'000	Aggregate amounts fallen due but not been paid RMB'000	Aggregate provisions for doubtful bad debts made RMB'000	Term	Interest rate	Security
At 31 December 2024										
Mr. Dong Hui	Shareholder and director	2,201	2,141	2,201	2,201	–	–	2024.8.19–2025.8.18	–	unsecured
At 31 December 2023										
Mr. Dong Hui	Shareholder and director	2,141	2,107	2,141	2,141	–	–	2023.8.19–2024.8.18	–	unsecured

Note: The loan to a related party is unsecured and interest-free, which the original loan period is from 19 August 2021 to 18 August 2023 and further extend to 18 August 2024. On 18 August 2024, the Company and Mr. Dong have entered into supplementary agreements for extending the maturity date of the aforesaid loan to 18 August 2025, while all other terms set forth in the loan contracts remain unchanged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

31 NOTES TO THE STATEMENT OF FINANCIAL POSITION AND EQUITY MOVEMENT OF THE COMPANY

(a) Financial position of the Company

	As at 31 December	
	2024 RMB'000	2023 RMB'000
ASSETS		
Non-current assets		
Interests in subsidiaries	141,128	140,972
Total non-current assets	141,128	140,972
Current assets		
Amount due from subsidiaries	145,915	143,193
Cash and cash equivalents	865	44
Restricted cash	367	4,673
Total current assets	147,147	147,910
Total assets	288,275	288,882
LIABILITIES		
Current liabilities		
Loans from related parties	90,090	90,215
Other payables	1,033	943
Amount due to subsidiaries	23,001	23,001
Total current liabilities	114,124	114,159
Total liabilities	114,124	114,159
EQUITY		
Share capital	51,698	42,607
Reserves	173,099	179,103
Accumulated losses	(50,646)	(46,987)
Total equity	174,151	174,723
Total equity and liabilities	288,275	288,882

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

31 NOTES TO STATEMENT OF FINANCIAL POSITION AND EQUITY MOVEMENT OF THE COMPANY *(Continued)*

(a) Financial position of the Company *(Continued)*

Note:

Interests in subsidiaries

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Investments in subsidiaries – at cost, unlisted <i>(Note (a))</i>	134,331	134,175
Amounts due from a subsidiary <i>(Note (b))</i>	6,797	6,797
	141,128	140,972

Notes:

- (a) It represents: (i) the aggregate net asset value of the subsidiary acquired during the reorganisation of the Group, which was completed on 14 December 2018; and (ii) the share-based compensation granted to employees in certain subsidiaries.
- (b) Amounts due from a subsidiary represent the cash consideration received by a subsidiary on behalf of the Company, for the issuance of shares of the Company on 12 February 2019. The Company will not demand repayment of the amounts in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

31 NOTES TO THE STATEMENT OF FINANCIAL POSITION AND EQUITY MOVEMENT OF THE COMPANY (Continued)

(b) Equity movement of the Company

	Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Capital reserve RMB'000	Share-based compensation reserves RMB'000	Shares held for share award scheme RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2024	42,607	54,945	(1,984)	4,860	1,557	(19,280)	139,005	(46,987)	174,723
Profit for the year	-	-	-	-	-	-	-	(3,659)	(3,659)
Other comprehensive loss	-	-	(1,432)	-	-	-	-	-	(1,432)
Total comprehensive loss for the year	-	-	(1,432)	-	-	-	-	(3,665)	(5,091)
Transactions with owners:									
Issue of shares	9,091	4,091	-	-	-	-	-	-	13,182
Employee share schemes-value of employee services (Note 27)	-	-	-	-	143	-	-	-	143
Shares vested for share award scheme (Note 27)	-	984	-	-	(1,700)	716	-	-	-
Repurchase of shares	-	-	-	-	-	(8,806)	-	-	(8,806)
At 31 December 2024	51,698	60,020	(3,416)	4,860	-	(27,370)	139,005	(50,646)	174,151
At 1 January 2023	42,607	54,945	(1,322)	4,860	1,160	(19,280)	139,005	(42,708)	179,267
Loss for the year	-	-	-	-	-	-	-	(4,279)	(4,279)
Other comprehensive income	-	-	(662)	-	-	-	-	-	(662)
Total comprehensive income for the year	-	-	(662)	-	-	-	-	(4,279)	(4,941)
Transactions with owners:									
Shares vested for share award scheme (Note 27)	-	-	-	-	397	-	-	(662)	397
At 31 December 2023	42,607	54,945	(1,984)	4,860	1,557	(19,280)	139,005	(46,987)	174,723

32 CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, the Group had no material contingent liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

33 SUBSIDIARIES

The following is a list of principal subsidiaries of the Company as at 31 December 2024 and 2023:

Company Name	Place and date of incorporation/ establishment and operation	Issued and paid-in capital/ registered capital	Percentage of attributable equity interest as at		Principal activities
			31 December 2024	2023	
Directly owned:					
Fong De Limited (“芳德有限公司”)	British Virgin Islands/ 9 October 2018	USD100	100%	100%	Investment holding
Indirectly owned:					
Dragon Hero Corporation Limited (“英龍有限公司”)	Hong Kong/ 28 September 2018	HKD2	100%	100%	Investment holding
Huzhou Bright Future (“湖州輝煌明天科技有限公司”) ⁽¹⁾	The PRC/ 25 October 2018	RMB60,059,800	100%	100%	Investment holding & Intelligent marketing solutions services
Shenzhen Bright Future (“深圳輝煌明天科技有限公司”) ⁽²⁾	The PRC/ 28 December 2015	RMB5,000,000	100%	100%	Investment holding & Intelligent marketing solutions services
Shenzhen Lindu (“深圳鄰度科技有限公司”) ⁽²⁾	The PRC/ 19 September 2014	RMB5,000,000	100%	100%	Intelligent marketing solutions services
Khorgas Velocity Network (“霍爾果斯光速網絡科技有限公司”) ⁽²⁾	The PRC/ 12 September 2017	RMB3,000,000	100%	100%	Intelligent marketing solutions services
Wuhan Lindu Technology Company Limited (“武漢鄰度科技有限公司”) ⁽²⁾	The PRC/ 9 February 2021	RMB5,000,000	100%	100%	Intelligent marketing solutions services
Hangzhou Bright Future Technology Company Limited (“杭州輝煌明天企業管理有限公司”) ⁽²⁾	The PRC/ 1 December 2021	RMB1,000,000	100%	100%	Investment holding
Shanghai Wanwan Technology Co., Ltd. (“上海遍玩科技有限公司”) ⁽²⁾	The PRC/ 19 March 2022	RMB1,000,000	100%	100%	Investment holding
Shenzhen Yiming Short Drama Technology Co., Ltd. (“深圳一銘短劇科技有限公司”) ⁽²⁾	The PRC/ 6 June 2023	RMB1,000,000	—	100%	Intelligent marketing solutions services
Guangzhou Jiuwu Interactive Technology Co., Ltd. (“廣州九五互動科技有限公司”) ⁽²⁾	The PRC/ 17 July 2024	RMB3,000,000	100%	100%	Intelligent marketing solutions services
Guangzhou Ruiwang Interactive Technology Co., Ltd. (“廣州市銳網互動科技有限公司”) ⁽²⁾	The PRC/ 15 July 2024	RMB3,000,000	100%	100%	Intelligent marketing solutions services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

33 SUBSIDIARIES *(Continued)*

Note: All companies comprising the Group have adopted 31 December as their financial year end date.

The English names of the subsidiaries represent the best effort by the Company's management to translate their Chinese names, as these subsidiaries do not have official English names.

- (1) This company was established in the PRC in the form of wholly foreign-owned enterprise.
- (2) These companies were established in the PRC in the form of investment solely by legal corporations.

34 EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this Annual Report, there were no other significant events that might affect the Group since the end of the year ended 31 December 2024.

35 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 March 2025.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and the Prospectus, is set out below.

RESULTS

	Year ended 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	1,039,223	892,433	443,494	488,028	382,763
Gross profit	61,299	80,545	33,425	97,463	116,183
(Loss)/Profit before income tax	(5,229)	21,552	(15,672)	12,526	71,115
(Loss)/Profit for the year	(6,494)	14,812	(22,432)	(17,255)	67,334

ASSETS AND LIABILITIES

	As at 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Total assets	449,355	478,682	358,207	583,320	577,755
Total liabilities	306,703	331,372	226,678	287,725	283,302
Total equity	142,652	147,310	131,529	295,595	294,453

DEFINITIONS

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

“Adoption Date”	7 May 2021, being the date on which the Share Award Scheme is adopted by the Company
“advertisement inventory(ies)”	traffic available on online media publishers for advertising
“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
“AI”	artificial intelligence
“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
“app(s)” or “mobile app(s)”	application software designed to operate on smartphones and other mobile devices
“Audit Committee”	the audit committee of the Board
“Award”	an award of the Awarded Shares by the Board pursuant to the Share Award Scheme to a Selected Employee
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares as awarded by 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
“Brilliant League”	BRILLIANT LEAGUE LIMITED, a company incorporated in the British Virgin Islands with limited liability on 25 April 2018, which is wholly-owned by Mr. DONG Hui, an executive Director of the Company

DEFINITIONS

"BVI"	the British Virgin Islands
"CG Code"	corporate governance code contained in Appendix C1 to 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
"core service provider(s)"	a status recognised by media publisher(s) which offer advertisement inventories, indicating the close business relationship between the media publisher and the advertising agent in relation to the purchase of advertisement inventories. The status is usually obtained through, among other requirements, reaching a certain level of transaction amounts with the media publisher within a prescribed period of time. Obtaining such status usually allows the advertising agent to directly deal with the media publisher
"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
"C-star"	C-star Limited, a company incorporated in the British Virgin Islands with limited liability on 9 July 2021, which is owned as to 50% by Ms. SU Yuwen and 50% by Mr. WEN Mingyang, both being key staff of the Group
"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

DEFINITIONS

"Excluded Employee"	any Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee
"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
"Highland Triumph"	HIGHLAND TRIUMPH LIMITED, a company incorporated in the British Virgin Islands with limited liability on 28 May 2018, which is wholly-owned by Mr. YANG Dengfeng, an executive Director of the Company
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars", "HK\$" or "HKD"	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 LinkDoAI system upgraded and renamed as "LinkBriAI" in the first half of 2023
"LinkDoAI"	the Group's proprietary full service intelligent marketing management platform
"Listing"	the listing of the Shares on the Main Board on 11 November 2020
"Listing Date"	11 November 2020, the date on which the Shares are listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange made by the Stock Exchange from time to time

DEFINITIONS

"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 to 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 annual report 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
"R&D"	research and development
"Reporting Period"	the year ended 31 December 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Selected Employee(s)"	Employee(s) selected by the Board pursuant to the Share Award Scheme for participation in the Share Award Scheme; for avoidance of doubt, the Board confirms that no controlling shareholder (including any Employee who is a controlling shareholder) will be a Selected Employee
"Share(s)"	ordinary share(s) of HK\$0.1 each in the share capital of the Company
"Share Award Scheme"	the share award scheme of the Company approved and adopted by the Board on 7 May 2021, in its present form or as amended from time to time in accordance with the Share Award Scheme
"Share Offer"	the public offering and placing of Shares
"Share Option Scheme"	the share option scheme conditionally adopted by the Company on 16 October 2020
"shareholder(s)"	holder(s) of the Share(s)

DEFINITIONS

"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
"Treasury shares"	has the meaning ascribed to it under the Listing Rules which came into effect on 11 June 2024 and as amended from time to time
"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
"Vast Ocean"	VAST OCEAN LIMITED, a company incorporated in the British Virgin Islands with limited liability on 23 June 2021, which is wholly-owned by Mr. DONG Hui, an executive Director of the Company
"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.