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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1351)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the "**Board**") of directors (the "**Directors**") of Bright Future Technology Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020 together with the comparative figures for the year ended 31 December 2019.

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

FINANCIAL PERFORMANCE HIGHLIGHTS

	Year ended 31 December		
	2020	2019	**Year-on-Year Change**
	RMB'000	*RMB'000*	*(%)*
Revenue (1)	**382,763**	281,934	35.8
Gross revenue (2)	**1,089,899**	760,018	43.4
Revenue attributable to:			
Video advertising services (3)	**928,846**	380,079	144.4
Revenue attributable to:			
Repeat customers (3)	**904,054**	561,376	61.0
Gross profit	**116,183**	81,398	42.7
Profit for the year	**67,334**	38,434	75.2
Adjusted net profit (4)	**74,723**	50,948	46.7

Notes:

(1) Revenue recognised on the net basis for our intermediary services and gross basis for our precision advertising services.
(2) Gross revenue for both our intermediary services and precision advertising services.
(3) Based on the gross basis of revenue recognition.
(4) Adjusted net profit, a non-HKFRS measure, is calculated by adding back listing expenses and share-based payment expenses to the profit for the year.

2020 PERFORMANCE HIGHLIGHTS

Despite the economic uncertainties wrought by the novel coronavirus 2019 ("**COVID-19**" or "**COVID**") which will continue to weigh heavily on the Group's operating environment, the Group has started off strong since its listing on 11 November 2020 with solid months of revenue growth. Revenue for the Group has increased by approximately RMB100.9 million or 35.8% from approximately RMB281.9 million for the year ended 31 December 2019 to approximately RMB382.8 million for the year ended 31 December 2020. The Group's profit for the year was also up from approximately RMB38.4 million in 2019 to approximately RMB67.3 million in 2020.

In tandem with the increase in revenue, the Group's number of repeat customers has risen from 204 in 2019 to 218 in 2020, with a revenue of approximately RMB904.1 million being generated from repeat customers during the year under review, representing an increase of approximately RMB342.7 million or 61.0% from approximately RMB561.4 million for the year ended 31 December 2019 (based on the gross basis of revenue recognition*). Equally on the rise were the Group's impressions of advertisements, i.e. the total number of views generated from its advertisements, which leaped from approximately 58.98 billion for the year ended 31 December 2019 to approximately 79.41 billion for the year under review.

In coherence with the Group's commitment to pursue innovation, enhance its competitive edge, expand its market presence and maintain sustainable growth, the Group has, over the past year, re-strategised, revamped and broadened its service offerings which supplement and complement the Group's existing services in a practical and efficient manner.

To capitalise on the latest mobile advertising trends and the opportunities presented by short-video advertising, the Group has also stepped up its efforts in realigning its business focus by venturing into the development and production of its own short-video advertisements. As a result, the Group recorded a revenue of approximately RMB928.8 million attributable to its video advertising services in 2020, representing an increase of approximately 144.4%, or approximately RMB548.7 million from approximately RMB380.1 million for the year ended 31 December 2019 (based on the gross basis of revenue recognition*).

Although the Group has adapted its operations to protect the health and safety of its staff, and hence face-to-face meetings with customers and filming of actors have been temporarily suspended during the first quarter of 2020 when China's COVID situation was at its worst, the Group's business was mostly unaffected as all its operations are capable of being, and have been, conducted remotely and fully online. Armed with a proprietary cloud-based stock video repository system and assisted by the availability of extra footage filmed in anticipation of the Chinese New Year holidays, the Group was able to fully, reliably and timely meet its customer's short-video advertising needs during such tumultuous times.

* *The Group has recorded a gross revenue of approximately RMB1,089.9 million for the year under review, representing an increase of approximately RMB329.9 million or approximately 43.4% from approximately RMB760.0 million for the year ended 31 December 2019.*

BUSINESS OUTLOOK FOR 2021

2021 looks set to be another exceptional year for the Group's development and operations, starting with the Group's taking on the much coveted roles of being advertising agents for the year of 2021 for both Tencent App Store and Kuaishou Ads. As the Group moves further into the year, it is gearing ahead for further growth by capitalising on its strengths and technical competencies to refine its business strategies so as to drive profitable market penetration and stay ahead of competition. Albeit risks remain tilted to the downside with COVID-19 continues to loom over the global economy, the Group will forge ahead with its growth strategies and continue to make strides in its efforts to adapt to the changing media consumption patterns and the needs of its customers, with an aim of becoming a leading mobile marketing solution provider in China that specialises in short-video programmatic precision marketing.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has, since its inception, devoted much effort in providing high impact, holistic marketing services that optimally serve its customers' needs, from promotion planning, advertisement production and placement to post-publication monitoring. In line with the Group's commitment to support its customers in the successful implementation of marketing strategies that effectively engage and reach out to their target audience, the Group strives to provide its customers with data-driven insights and assist them in the development of precise audience targeting strategies that ensure strong campaign performance.

Tailored to address the particular needs of its customers, the Group's services can range from arranging publication of advertisements at suitable media publishers to the more invested precision advertising role where the Group strives to reach the desired conversion results set by customers. Advertisements placed on short-video, social media, and news and information content platforms are either embedded or displayed in formats that are consistent with the app user interface or information feeds, or even appear as pop-ups to trigger conversion. Depending on the platform of choice, the customer's preference or the desired effect to be attained, the advertising content can be displayed either in the form of text, image or video, among which short videos have, in recent years, become advertising and platform staples.

According to the 2020 China Internet Advertising Data Report (《2020中國互聯網廣告資料報告》)**, the total scale of the market for China's Internet marketing has exceeded the trillion mark in 2020, reaching RMB1.05 trillion. Internet advertising maintained a growth trend of 13.85%, achieving advertising revenue of RMB497.2 billion. Video advertising records a revenue of about RMB90.4 billion in 2020, an increase of 64.91% over the previous year's RMB54.8 billion. With the short-video market in China soaring on popularity and traffic growth led by major players such as Douyin and Kuaishou, short videos continued their domination in the advertising market, seeing a jump of 106% in revenue, far exceeding the 25% increase for videos spanning longer durations.

In light of short video's surge in popularity, the Group has further evolved and developed its strategic direction and recalibrated its business focus during the year under review with an emphasis on short video creation, thereby edging ever so closer to its aim of becoming a leading mobile marketing solutions provider in China. Started early in the game, the Group has been providing video advertising services in around April 2018. Leveraging on the early-mover advantage and with more resources being channeled to support its further development, the Group's revenue generated from advertisements in video format has shot up by 144.4% to approximately RMB928.8 million in 2020 as compared to approximately RMB380.1 million for the year ended 31 December 2019 (based on the gross basis of revenue recognition).

The COVID experience for the Group was daunting yet promising. Against the backdrop of COVID uncertainties and US's restrictive trade stance towards China, the Group has nonetheless flourished against the odds, recording an increase in revenue by approximately RMB100.9 million or 35.8% from approximately RMB281.9 million for the year ended 31 December 2019 to approximately RMB382.8 million for the year ended 31 December 2020. The Group's profit for the year was also up from RMB38.4 million in 2019 to RMB67.3 million in 2020. Although the pandemic has derailed marketing plans and curtailed promotional efforts for certain sectors, the Group has managed to diversify its risks by serving an assorted advertiser base operating in a wide array of industry verticals, including mobile internet services, mobile utilities, financial services, e-commerce and mobile gaming, and most notably some of PRC's largest mobile app developers and e-commerce platforms, many of which have thrived during COVID times.

Operating in an economy beset by the COVID-19 pandemic and fraught by trade tensions, the Group has nonetheless emerged from the crisis in good shape as it pocketed various achievements, namely being selected as winner of the bid as one of the advertising agents for Tencent App Store for the year of 2021 and becoming one of the advertising agents of Kuaishou Ads for the year of 2021.

The proceeds raised from the Group's listing in November 2020 also enabled the Group to further grow its business and scale up its execution capabilities by expanding its in-house content production team and infrastructure, as well as enhancing its data analytics capacities. The following measures taken and plans to be implemented by the Group during the year under review and beyond thus not only serve to highlight the Group's accomplishments over the year but also encapsulate the key areas that will underpin the Group's strategic thrust and define the course of the Group's operations going forward:

Strategically enhance the Group's service capabilities towards attaining full solution delivery

The Group started to offer its customers video advertising services as early as April 2018 in response to the rapid rise and reign of short-video platforms such as Douyin and Kuaishou. Poised to tap into China's booming short-video market, the Group is among the first in the industry to offer one-stop short-video advertising services, integrating content production (i.e. idea creation, scripted filming, post-production), precision marketing (i.e. performance-based marketing strategy planning, stock footage creation, advertisement optimisation, data analytics, media monitoring), and e-commerce marketing (i.e. driving shop traffic, livestreaming operation, Douyin operation).

In terms of short-video content production, the Group boasts of a repository of around 70,000 stock videos in 2020 (up from 2019's estimated 20,000) and a monthly video production capacity of 6,000 clips as supported by its expert in-house content production team comprising of scriptwriters, directors, editors and post-production crew etc. With the Group being off to a strong start as a newly listed company following the successful completion of its initial public offering in November 2020, it has since been levelling up its business scale, commencing with the establishment of its own short-video studio in Wuhan, set to begin operating in mid-2021.

As for precision advertising in relation to short videos, 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. The Group 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. The seamless execution of the Group's extensive and comprehensive range of integrated systems facilitates the streamlining of business flow and back office management as well as elevating its service quality and customer experience.

The use of short videos in e-commerce marketing scenarios is also one of the areas the Group has diversified into during the year under review. Leveraging its years of experience and technological expertise in providing comprehensive, tailored, timely and effective mobile advertising services, the Group is well-equipped to handle the technological intricacies of real-time and interactive e-commerce livestreaming sessions.

Further penetration of highly engaged and robust user community

Eyeing the opportunity arising from Kuaishou's hotly anticipated debut in the Hong Kong stock market, the Group becomes one of its advertising agents as part of its plan to further solidify its presence in the "sinking market", i.e. markets other than the first and second tier cities where Kuaishou thrives over its competitors.

With short-video sharing and livestreaming counting among its primary services, Kuaishou, being home to many interest groups, positions itself as a "leading content community and social platform" (according to its prospectus). As Kuaishou's online traffic allocation mechanism favours original content from creators who devote more effort in accumulating their follower base or those who managed to build loyal following via personal engagement experiences and authentic content, advertisers can leverage on the influence such creators have on their interest-specific followers to effectively launch targeted campaigns. To keep up with the rising demand for custom, compelling and engaging advertising content, especially in the form of short videos that appeal to and align with the interest of Kuaishou's user base, the Group has and will remain steadfast in delivering comprehensive marketing solutions from concept to completion by furthering its advancements in data analytics and other proprietary technology as well as expanding its in-house video production capabilities.

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

To cope with the increasing demand in quality short-video content, the Group has, in 2020, commenced construction of its own cloud-based repository system for all the stock videos and images created by the Group since its incorporation. Through the process of modulisation, (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. As at the date of this announcement, all stock images and videos have already been uploaded to the cloud-based repository system, which, coupled with its programmatic data analytics functions, has been instrumental to the Group's short-video advertising operations as it provides valuable insights to the creative process of short-video editing. The system, once fully optimised and utilised, will add agility to the Group's short-video content creation process as it allows for the effective and efficient management, analysis and repurposing of creative content.

Utilise influencer marketing to amplify campaign visibility

Along with the COVID-led digital shift, key opinion leaders ("**KOL**") or influencer marketing is amongst the rapidly expanding trends that have taken hold in the Chinese marketing industry ever since the pandemic struck. The term KOL is used broadly to describe individuals who are able to exert influence on content consumers through the active sharing of self-curated content across various social media channels. Modern day shoppers are generally more receptive to influencer marketing as they consider the marketing content created by influencers more reliable and palatable than traditional advertisements. Influencer marketing has emerged as a pivotal marketing strategy in China, with KOL endorsements, generally in the form of product reviews and brand recommendations, fueling a spike in online sales notwithstanding the challenging COVID market conditions.

Owing to the nature of influencer content consumption whereby consumers sieve through content based on their personal preferences and needs, KOL marketing is able to engage and reach out to a more focused audience group, thereby rendering it an effective tool for targeted promotional or marketing campaigns.

In order to tap into the trend that has taken the Chinese marketing industry by storm, the Group entered the game in 2020 in furtherance of the Group's aim to develop advertisements in video format, by building and nurturing relationships with selected influencers, usually by partnering with multi-channel networks ("**MCNs**") which provided KOL with integrated professional support in content curation and production, as well as unique access to advertisers, brands and media platform resources. The timing cannot be more opportune for such integration of the influencer marketing model into the Group's existing robust promotional infrastructure as it enabled the Group to capitalise and leverage on the shift in the Chinese consumer market from the physical realm to digital to further extend its marketing capabilities and better assist its customers in the creation of effective campaigns.

Real-time sales generation and optimisation through e-commerce livestreaming

Influencer marketing's rise to prominence was largely spawned by COVID-19, which transformed the marketing landscape, and setting the stage for further advances, the latest of which being livestreaming with e-commerce integration. E-commerce livestreaming, especially those hosted by influencers with the requisite knowledge or expertise, are widely recognised in the Chinese marketing industry for its exceptionally strong direct sales conversion capabilities, and are therefore increasingly utilised by brands for product launches, sales and live shopping events, or for the hosting of trade shows.

Akin to the rise of video marketing, the popularity of livestreaming was fueled by improvements in connection speed and video quality, and sparked by Chinese consumers' growing expectation for participatory content. Unlike pre-recorded videos, the unscripted spontaneity of livestreaming adds to the believability of the content so streamed and helps create a sense of urgency that spurs consumers' purchasing decisions in fear of "missing out".

If well executed, livestreaming, with its power to reach and engage audience beyond the physical confines of traditional venues, can help build buzz, anticipation and drum up attention for businesses and their products. To help its customers find their footing in this new area and assist them in achieving optimal integration of e-commerce livestreaming into their overall marketing schemes, the Group draws on its technological prowess and content curation capabilities to gauge audience sentiment in order to project its customers' desired voices and images in an engaging manner so as to enhance brand perception and purchase intent. When it comes to the selection of anchor for livestreaming services, the Group leans on proprietary data analytic tools and expertise to glean insights into the audience demographics to ensure that they align well with the customers' messages, values and target markets such that streaming traffic can be readily translated into conversion rates.

** *The China Internet Advertising Data Report has been released for five consecutive years by Interactive Marketing Lab in Zhongguancun in conjunction with other organisations.*

FINANCIAL REVIEW

The following table sets forth the comparative statement of comprehensive income for the year ended 31 December 2020 and the year ended 31 December 2019.

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Revenue	**382,763**	281,934
Cost of services	**(266,580)**	(200,536)
Gross profit	**116,183**	81,398
Selling and distribution expenses	**(2,667)**	(4,051)
General and administrative expenses	**(51,203)**	(32,966)
Net impairment losses on financial assets	**(657)**	(1,086)
Other gains, net	**10,261**	1,956
Operating profit	**71,917**	45,251
Finance income	**130**	40
Finance costs	**(932)**	(563)
Finance costs – net	**(802)**	(523)
Profit before income tax	**71,115**	44,728
Income tax expense	**(3,781)**	(6,294)
Profit for the year	**67,334**	38,434
Adjusted net profit *(Note)*	**74,723**	50,948

Note: Adjusted net profit, a non-HKFRS measure, is calculated by adding back listing expenses and share-based payment expenses to the profit for the year.

REVENUE

During the year under review, the Group recorded revenue of approximately RMB382,763,000, representing an approximate increase of 35.8% as compared to approximately RMB281,934,000 recorded for the year ended 31 December 2019. Such increase was primarily attributable to an increase in the Group's video advertising services revenue. A breakdown of the Group's revenue for the years indicated are set forth in the table below:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Precision advertising services		
– Gross method	**302,851**	236,086
Intermediary services		
– Net method	**79,912**	45,848
	382,763	281,934

COST OF SERVICES

The Group's cost of services mainly comprises of advertising traffic costs. During the year under review, the Group recorded cost of services of approximately RMB266,580,000, representing an increase of approximately 32.9% as compared to approximately RMB200,536,000 recorded for the year ended 31 December 2019. Such increase was primarily attributable to the expansion in business scale during the year under review, which was in line with the increase in revenue for the corresponding period.

GROSS PROFIT

During the year under review, the Group recorded gross profit of approximately RMB116,183,000, representing an increase of approximately 42.7% as compared to approximately RMB81,398,000 recorded for the year ended 31 December 2019. The increase in gross profit was in line with the increase in the Group's revenue for both precision advertising services and intermediary services.

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 under review, the Group recorded selling and distribution expenses of approximately RMB2,667,000, representing a decrease of approximately 34.2% as compared to approximately RMB4,051,000 recorded for the year ended 31 December 2019. Such decrease was primarily attributable to (i) a drop in expenses incurred for entertaining customers as the Group relied less on such means to secure contracts (with the Group's reputation taking off, customers mostly engage its services either at their own initiative or by referral); and (ii) a decrease in office expenses and employee benefit expenses due to the optimisation of its sales structure and the work from home arrangements adopted in 2020 in response to the COVID threat.

General and administrative expenses

The Group's general and administrative expenses during the year under review mainly comprise of staff salaries and benefits, legal and professional fees, consultancy fee, short-term lease expenses, server charges and IT fees, auditor's remuneration, and listing expenses. During the year under review, the Group recorded general and administrative expenses of approximately RMB51,203,000, representing an increase of approximately 55.3% as compared to approximately RMB32,966,000 recorded for the year ended 31 December 2019. Such increase was primarily attributable to the increase in employee benefit expenses, and server charges and IT fees incurred as a result of the Group's enhanced research and development efforts and expansion in business scale, especially in terms of short-video advertising.

Net impairment losses on financial assets

The Group's net impairment losses on financial assets represented the expected credit losses from its trade receivables. During the year under review, the Group recorded net impairment losses of approximately RMB657,000, primarily incurred as a result of the expected credit loss of trade receivables.

Other gains – net

The Group's other gains – net comprise primarily of government grant, net gain on disposal of financial assets at fair value, and value added tax refunds. During the year under review, the Group recorded other gains – net of approximately RMB10,261,000, representing an increase of approximately 424.6% as compared to approximately RMB1,956,000 recorded for the year ended 31 December 2019. Such increase was primarily attributable to government grant and increase in value added tax refunds during the year under review.

Finance costs – net

During the year under review, the Group recorded net finance costs of approximately RMB802,000, representing an increase of approximately 53.3% as compared to approximately RMB523,000 recorded for the year ended 31 December 2019.

Income tax expense

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 under review. The income tax expense was primarily attributable to PRC Enterprise Income Tax. During the year under review, the Group recorded income tax expense of approximately RMB3,781,000, representing a decrease of approximately 39.9% as compared to approximately RMB6,294,000 recorded for the year ended 31 December 2019. Such decrease was primarily attributable to the effects of preferential tax rates applicable to PRC subsidiaries of the Group and super deduction of research and development expenses.

Profit for the year

During the year under review, the Group recorded profit of approximately RMB67,334,000, representing an increase of approximately 75.2% as compared to approximately RMB38,434,000 recorded for the year ended 31 December 2019. Such increase was primarily attributable to the expansion of the Group's business scale whilst being able to maintain a stable gross profit margin.

Non-HKFRS measures: Adjusted net profit

To supplement the Group's consolidated financial information, which is presented in accordance with HKFRS, a non-HKFRS measure, namely adjusted net profit, was also used as an additional financial measure, which is not required by, or presented in accordance with, HKFRS. The Group believes that such non-HKFRS measure facilitates comparisons of the Group's operating performance by eliminating potential impacts of items that the Group's management considers non-indicative of the Group's operating performance. The Group believes that such measure provides useful information to investors and others in understanding and evaluating the Group's combined results of operations in the same manner as they assist the Group's management.

Adjusted net profit eliminates the effect of listing-related expenses and share-based payment expenses. The term "adjusted net profit" is not defined under HKFRS. The use of adjusted net profit has material limitations as an analytical tool, as it may not include all items that impact the Group's net profit for the year.

The following table reconciles our adjusted net profit presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Profit for the year	**67,334**	38,434
Listing expenses	**7,389**	11,084
Share-based payment expenses	**–**	1,430
Adjusted net profit [(1)]	**74,723**	50,948

Note:

(1) Adjusted net profit, a non-HKFRS measure, is calculated by adding back listing expenses and share-based payment expenses to the profit for the year.

Liquidity and capital structure

As at 31 December 2020, the Group recorded total assets of approximately RMB577,755,000 (31 December 2019: approximately RMB337,576,000), total liabilities of approximately RMB283,302,000 (31 December 2019: approximately RMB208,742,000) and total equity of approximately RMB294,453,000 (31 December 2019: approximately RMB128,834,000). As at 31 December 2020, the gearing ratio was approximately -3.8% (31 December 2019: approximately 8.4%).

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

Borrowings

As of 31 December 2020, total borrowings amounted to approximately RMB82,500,000 (31 December 2019: approximately RMB30,501,000). The Group's borrowings comprised of unsecured loans from shareholders and key management personnel, and unsecured and guaranteed bank borrowings.

The unsecured loans from shareholders and key management personnel as at 31 December 2020 and 2019 were interest-free and initially recognised by discounting their principal amounts at an interest rate of 4.75% per annum. The subsequent interest expense accretion was included in the finance costs.

The unsecured and guaranteed bank borrowings as at 31 December 2020 were at an interest rate of 3.61% per annum (guaranteed by Dragon Hero Corporation Limited and repayable within 1 year), whereas the unsecured and guaranteed bank borrowings as at 31 December 2019 were at an interest rate of 5.5% per annum (guaranteed by Mr. Dong, Mr. Yang and repayable within 1 year). The bank borrowings guaranteed by Mr. Dong and Mr. Yang as at 31 December 2019 has been fully repaid before 31 December 2020.

Capital expenditures

The Group's capital expenditures during the year under review mainly consisted of expenditures on property, plant and equipment. For the year under review, the Group has recorded approximately RMB1,045,000 capital expenditures, as compared to approximately RMB1,204,000 recorded for the year ended 31 December 2019.

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 under review.

Pledge of assets

As of 31 December 2020, none of the Group's asset was subject to any pledge.

Contingent liabilities

As of 31 December 2020, the Group had no material contingent liabilities.

Employees

As of 31 December 2020, we had 228 full-time employees, the majority of whom were based in Shenzhen, China.

As required under PRC regulations, the Group has participated in various employee social security plans organised by applicable local municipal and provincial governments, including employee training and incentive plans.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December **2020** *RMB'000*	**2019** *RMB'000*
Revenue	*3*	**382,763**	281,934
Cost of services	*4*	**(266,580)**	(200,536)
Gross profit		**116,183**	81,398
Selling and distribution expenses	*4*	**(2,667)**	(4,051)
General and administrative expenses	*4*	**(51,203)**	(32,966)
Net impairment losses on financial assets	*10(a)*	**(657)**	(1,086)
Other gains, net	*5*	**10,261**	1,956
Operating profit		**71,917**	45,251
Finance income	*6*	**130**	40
Finance costs	*6*	**(932)**	(563)
Finance costs – net		**(802)**	(523)
Profit before income tax		**71,115**	44,728
Income tax expense	*7*	**(3,781)**	(6,294)
Profit for the year		**67,334**	38,434
Profit attributable to:			
Owners of the Company		**67,334**	38,434
Other comprehensive (loss)/income, net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(957)**	11
Total comprehensive income for the year		**66,377**	38,445
Total comprehensive income attributable to:			
Owners of the Company		**66,377**	38,445
Earnings per share			
-Basic and diluted (expressed in RMB per share)	*8*	**0.17**	0.10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2020	2019
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,031**	5,587
Intangible assets		**46**	107
Deposits and prepayments	*10(b)*	**1,901**	476
Deferred income tax assets		**265**	1,662
Total non-current assets		**7,243**	7,832
Current assets			
Trade receivables	*10(a)*	**335,074**	223,379
Deposits, prepayments and other receivables	*10(b)*	**138,261**	82,356
Financial assets at fair value through profit or loss ("**FVPL**")		**–**	204
Cash and cash equivalents		**97,177**	23,805
Total current assets		**570,512**	329,744
Total assets		**577,755**	337,576
LIABILITIES			
Non-current liabilities			
Lease liabilities		**1,114**	2,537
Total non-current liabilities		**1,114**	2,537
Current liabilities			
Borrowings		**82,500**	30,501
Trade payables	*11*	**130,472**	115,551
Other payables and accruals	*12*	**22,856**	25,786
Contract liabilities		**34,208**	24,631
Lease liabilities		**2,263**	1,815
Current income tax liabilities		**9,889**	7,921
Total current liabilities		**282,188**	206,205
Total liabilities		**283,302**	208,742
EQUITY			
Share capital		**42,607**	70
Reserves		**92,282**	28,667
Retained earnings		**159,564**	100,097
Total equity		**294,453**	128,834
Total equity and liabilities		**577,755**	337,576

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company			
	Share capital *RMB'000*	**Reserves** *RMB'000*	**Retained earnings** *RMB'000*	**Total equity** *RMB'000*
Balance at 1 January 2020	**70**	**28,667**	**100,097**	**128,834**
Profit for the year	**–**	**–**	**67,334**	**67,334**
Other comprehensive income	**–**	**(957)**	**–**	**(957)**
Total comprehensive income for the year	**–**	**(957)**	**67,334**	**66,377**
Transactions with owners:				
Recapitalisation upon listing	**31,886**	**(31,886)**	**–**	**–**
Issuance of new shares upon listing	**10,651**	**106,513**	**–**	**117,164**
Share issuance costs	**–**	**(17,922)**	**–**	**(17,922)**
Appropriation for surplus reserve	**–**	**7,867**	**(7,867)**	**–**
Balance at 31 December 2020	**42,607**	**92,282**	**159,564**	**294,453**
Balance at 1 January 2019	69	17,575	65,255	82,899
Profit for the year	–	–	38,434	38,434
Other comprehensive income	–	11	–	11
Total comprehensive income for the year	–	11	38,434	38,445
Transactions with owners:				
Issuance of shares to shareholders of the Company	1	7,472	–	7,473
Capital contribution from shareholders' interest-free loans	–	177	–	177
Appropriation for surplus reserve	–	3,592	(3,592)	–
Capital distribution from repayment of shareholders' interest-free loans	–	(160)	–	(160)
Balance at 31 December 2019	70	28,667	100,097	128,834

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 December	
		2020	2019
	Note	***RMB'000***	*RMB'000*
Cash flows from operating activities			
Cash used in operations		**(80,089)**	(9,351)
Interest received		**130**	40
Income taxes paid		**(1,581)**	(2,897)
Net cash used in operating activities		**(81,540)**	(12,208)
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		**(1,045)**	(1,204)
Payments for purchase of financial assets at fair value through profit or loss		**–**	(200)
Proceeds from sale of financial assets at fair value through profit or loss		**210**	–
Net cash used in investing activities		**(835)**	(1,404)
Cash flows from financing activities			
Proceeds from issues of shares, net of issuance costs		**107,363**	–
Capital contribution from shareholders' interest-free loans		**–**	177
Capital contribution from shareholders of the Company		**–**	6,042
Proceeds from borrowings		**82,500**	35,696
Capital distribution by repayment of shareholders' interest free loans		**–**	(160)
Repayment of borrowings and interests		**(31,089)**	(14,457)
Lease payments (including interest paid)		**(2,010)**	(2,159)
Net cash generated from financing activities		**156,764**	25,139
Net increase in cash and cash equivalents		**74,389**	11,527
Cash and cash equivalents at beginning of the year		**23,805**	12,182
Effects of exchange rate changes on cash and cash equivalents		**(1,017)**	96
Cash and cash equivalents at end of the year		**97,177**	23,805

NOTES

1. GENERAL INFORMATION

Bright Future Technology Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 8 November 2018 as an exempted company with limited liability under the Companies Law (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, Cayman Corporate Centre, 27 Hospital Road, 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 mobile advertising 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**").

2. SUMMARY OF SIGNIFICANT 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 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.

All the new standards, amendments to standards and interpretations, which are mandatory for the financial year beginning 1 January 2020, are consistently applied in preparing the consolidated financial statements (including the comparative financial information) and are not expected to significantly affect the current or future period.

The Group has early adopted Amendments to HKFRS 16 "COVID-19 Related Rent Concession" from 1 January 2020 in order to apply practical expedient on rent concession related to COVID-19 that is effective on or after 1 June 2020. The rent concession received by the Group related to COVID-19 for the year ended 31 December 2020 was immaterial to the Group.

Amendments to HKFRS 16 "COVID-19-related rent concessions" allow lessee to elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. Such practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2021 and have not been applied in preparing the consolidated financial statements.

		Effective for annual periods beginning on or after
Amendments to HKAS 28 and HKFRS 10	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRSs	Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023

The Group has already commenced an assessment of the impact of these new or revised standards which are relevant to the Group's operation. The Group considers that the application of these new or revised standards is unlikely to have a material impact on the Group's financial position and performance.

3. REVENUE

Revenue mainly comprises of proceeds from providing mobile advertising services. The analysis of the Group's revenue by category for the years ended 31 December 2020 and 2019 was as follows:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Precision advertising services		
-Gross method	**302,851**	236,086
Intermediary services		
-Net method	**79,912**	45,848
Recognised at a point in time	**382,763**	281,934

During the years ended 31 December 2020 and 2019, the incremental costs incurred to obtain contracts was not significant.

(a) Contract liabilities

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

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Contract liabilities	**34,208**	24,631

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

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	**22,246**	20,430

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

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

4. EXPENSES BY NATURE

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Advertising traffic costs	**251,885**	187,327
Employee benefit expenses	**39,650**	29,025
Listing expenses	**7,389**	11,084
Consultancy fees	**4,821**	1,118
Server charges and IT fees	**4,708**	610
Auditor's remuneration	**3,000**	78
Depreciation and amortisation	**2,423**	2,396
Office expenses	**2,077**	1,159
Travelling expenses	**907**	971
Short-term lease expenses	**668**	856
Share-based payment expenses – non employee	**–**	1,430
Others	**2,922**	1,499
Total cost of services, selling and distribution expenses, and general and administrative expenses	**320,450**	237,553

Note: During the year ended 31 December 2020, the Group incurred expenses for the purpose of research and development of approximately RMB23,415,000 (2019: approximately RMB11,223,000).

5. OTHER GAINS, NET

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Government grant *(note)*	**6,000**	–
Value added tax ("**VAT**") refunds	**4,255**	2,174
Gains on disposal of financial assets at fair value through profit or loss	**6**	–
Fair value gains on financial assets at fair value through profit or loss	**–**	4
Net losses on disposal of property, plant and equipment	**–**	(222)
	10,261	1,956

Note: Government grant represents a subsidy received by the Group from the local government in the PRC. There are no unfulfilled conditions or contingencies relating to the grant.

6. FINANCE COSTS – NET

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**130**	40
Finance costs		
Interest expenses	**(932)**	(563)
Finance costs – net	**(802)**	(523)

7. INCOME TAX EXPENSE

(a) Cayman Island and BVI Income Tax

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

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

(b) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax during the years ended 31 December 2020 and 2019.

(c) PRC Enterprise Income Tax

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 corporate income tax rate in the PRC is 25%. Certain subsidiaries of the Group in the PRC have been granted software enterprise status and are entitled to enjoy an income tax exemption for two years beginning with the first profitable year and a 50% reduction for the subsequent three years. 4 years tax free period has been granted by local tax authority to a subsidiary in the PRC.

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Current income tax	**2,384**	7,956
Deferred income tax	**1,397**	(1,662)
Income tax expense	**3,781**	6,294

8. EARNINGS PER SHARE (EXPRESSED IN RMB PER SHARE) – BASIC AND DILUTED

(a) Basic earnings per share

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Profit attributable to owners of the Company *(RMB'000)*	**67,334**	38,434
Weighted average number of ordinary shares in issue (thousand) *(Note)*	**392,418**	374,134
Basic earnings per share *(in RMB)*	**0.17**	0.10

Note:

The weighted average number of ordinary shares for the purpose of basic earnings per share for the years ended 31 December 2020 and 2019 has been retrospectively adjusted for the effect of the redomination of shares on 8 April 2019 and recapitalisation issue on 11 November 2020.

(b) Diluted earnings per share

Diluted earnings per share presented is the same as basic earnings per share as there was no potentially dilutive ordinary share outstanding as at 31 December 2020 and 2019.

9. DIVIDENDS

No dividends have been paid or declared by the Company during the years ended 31 December 2020 and 2019.

10. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(a) Trade receivables

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Trade receivables-third parties	**337,210**	224,858
Loss allowance	**(2,136)**	(1,479)
	335,074	223,379

As at 31 December 2020 and 2019, the trade receivables were denominated in RMB.

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

	2020	2019
	RMB'000	*RMB'000*
At the beginning of the year	**1,479**	393
Addition	**657**	1,086
At the end of the year	**2,136**	1,479

The Group normally allows a credit period of 30 to 150 days to its customers. Aging analysis of the trade receivables as at 31 December 2020 and 2019, based on date of recognition, is as follows:

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Aging		
Up to 3 months	**261,530**	160,866
3 to 6 months	**71,551**	47,120
6 months to 1 year	**1,716**	11,417
1 to 2 years	**1,755**	5,236
Over 2 years	**658**	219
	337,210	224,858

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

(b) Deposits, prepayments and other receivables

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Prepayments to media publishers and advertising agents	**118,512**	67,203
VAT recoverable	**10,692**	5,747
Rental and other deposits	**4,919**	2,272
Prepaid listing expenses	**–**	6,031
Others	**6,039**	1,579
	140,162	82,832
Less: Non-current deposits and prepayments	**(1,901)**	(476)
	138,261	82,356

11. TRADE PAYABLES

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

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Aging		
Up to 3 months	**30,802**	61,374
3 to 6 months	**17,829**	28,789
Over 6 months	**81,841**	25,388
	130,472	115,551

12. OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Accrued staff costs	**15,414**	10,105
Accrued listing expenses	**3,323**	8,448
Value-added tax and surcharge	**68**	229
Deferred government grant	**–**	6,000
Others	**4,051**	1,004
	22,856	25,786

OTHER INFORMATION

MAJOR CUSTOMERS AND SUPPLIERS

Revenue attributable to the Group's five largest customers and the largest customer accounted for approximately 66.0% and 39.9%, respectively, of the Group's total revenue (based on the gross basis of revenue recognition) for the year ended 31 December 2020.

Purchases attributable to the Group's five largest suppliers and the largest supplier accounted for approximately 69.5% and 30.6%, respectively, of the Group's total advertising traffic costs recognised under gross basis for the year ended 31 December 2020.

None of the Directors, nor any of their close associates (as defined in the Listing Rules), nor any shareholders (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital), had material interest in the Group's five largest customers or suppliers during the year ended 31 December 2020.

USE OF PROCEEDS FROM THE SHARE OFFER

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

Net proceeds from the Share Offer have been, and will be, utilised in accordance with the purposes as set out in the Prospectus.

The table below sets out the planned applications of the net proceeds and actual usage up to 23 March 2021:

Use of proceeds		**Planned allocation of Net Proceeds** *(HKD million)*	**Planned allocation of Net Proceeds**(2) *(RMB million)*	**Utilised amount (as at 23 March 2021)** *(RMB million)*	**Expected timeline for utilising the remaining balance of net proceeds from the Share Offer**(1)
Expansion of the Group's intermediary services	64.9%	55.8	47.5	47.5	N/A
Expansion of the Group's marketing, customer services and design teams	21.3%	18.3	15.6	7.5	On or before 30 September 2022(3)
Enhancement of the information technology and DMP systems of the Group	10.5%	9.0	7.7	2.7	On or before 30 September 2022(3)
The Group's general working capital	3.3%	2.9	2.5	2.5	N/A
Total	100.0%	86.0	73.3	60.2	–

Notes:

(1) The expected timeline for utilising the remaining balance of net proceeds is based on the best estimation of the market conditions made by the Group.

(2) Net proceeds from the Share Offer were received in Hong Kong dollars and translated to Renminbi for application planning. The plan was adjusted slightly in light of the fluctuation of exchange rates since the Share Offer.

(3) The remaining proceeds will be used for their respective disclosed purposes and following the expected implementation timetable (as disclosed in the Prospectus). The unutilised net proceeds have been deposited as short-term deposits in the bank account maintained by the Group.

DIVIDEND

The Board did not recommend payment of any dividend for the year ended 31 December 2020.

CLOSURE OF THE REGISTER OF MEMBERS

The annual general meeting of the Company (the "**AGM**") is expected to be held on Friday, 21 May 2021. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 17 May 2021 to Friday, 21 May 2021, 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 14 May 2021.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules as its own code of corporate governance. 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 from the Listing Date to the date of this announcement.

Under Code Provision A.2.1 of the CG Code, the role of both the Chairman and chief executive officer should be separated and should not be performed by the same individual.

Mr. Dong was appointed as chief executive officer of the Group and has also assumed his responsibilities as 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. 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.

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 for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiries with all the Directors, each of the Directors confirmed that he has complied with the required standards as set out in the Model Code for the year ended 31 December 2020.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities throughout the period from the Listing Date to 31 December 2020.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. LIU Kin Wai, Mr. CHEN Shuo, Mr. WEI Hai Yan, with Mr. LIU Kin Wai being the chairman of the Audit Committee.

The Audit Committee has considered and reviewed the Group's annual results for the year ended 31 December 2020, the accounting principles and practices adopted by the Company and the Group, and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 December 2020 are in compliance with the relevant accounting standards, rules and regulations, and appropriate disclosures have been duly made.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's, consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

Significant events after the reporting period include the Group's landing of the respective roles as advertising agents for the year of 2021 for Tencent App Store and Kuaishou Ads. For further details, please refer to the announcements of the Group dated 24 December 2020 and 4 March 2021 respectively.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2020 ANNUAL REPORT

This annual results announcement was published on the website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and on the website of the Company (http://www.btomorrow.cn). The annual report of the Group for the year ended 31 December 2020, which contains all the information required under the Listing Rules, will be despatched to Shareholders and available on the above websites in late March 2021.

DEFINITIONS

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

"5G"	the 5th generation mobile networks
"AGM"	the forthcoming annual general meeting of the Company
"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
"advertising agent(s)"	in the context of the mobile advertising agency market in China, the mobile advertising company(ies) providing mobile advertising services to advertisers and/or other mobile advertising companies
"app(s)" or "mobile app(s)" or "mobile applications"	application software designed to operate on smartphones and other mobile devices
"big data"	a combination of structured, semistructured 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
"Board" or "Board of Directors"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"Chairman"	the chairman of the Board

"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 Law"	the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and amended) 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
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Dong, Mr. Yang, Brilliant League Limited and Highland Triumph Limited
"COVID" or "COVID-19"	novel coronavirus 2019
"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
"Douyin"	Douyin (抖音), a creative musical and short-video social media app
"ERP" or "enterprise resource planning"	a business process management software which enables an organisation to utilise a system of integrated applications to manage its business and automate many back office functions related to finance, technology services and human resources
"Group", "we", "our" or "us"	our Company and its subsidiaries or, where the context requires, in respect of the period before our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HKFRS"	Hong Kong Financial Reporting Standards
"HKICPA"	the Hong Kong Institute of Certified Public Accountants
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"industry verticals"	specific industries in which vendors offer goods and services to group of customers with specialised needs
"KOL"	key opinion leaders
"Kuaishou"	Kuaishou Technology, a company listed on the Main Board of the Stock Exchange (stock code: 1024), which operates a content community and social platform, Kuaishou (快手), for the sharing of short-videos and interacting through livestreaming
"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
"livestreaming"	online streaming media simultaneously recorded and broadcast in real-time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"MCN(s)" or "multi-channel network(s)"	organisation(s) that provided KOL with integrated professional support in content curation and production, as well as unique access to advertisers, brands and media platform resources
"Model Code"	the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix 10 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"PRC" or "China"	the People's Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"programmatic advertising"	a system that automates the processes and transactions involved with purchasing and dynamically placing advertisements on websites or apps

"Prospectus"	the prospectus of the Company dated 28 October 2020
"Reporting Period"	the year ended 31 December 2020
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Share Offer"	the public offering and placing of Shares
"Shareholder(s)"	holder(s) of the Share(s)
"short-video platform(s)"	platform(s) that focus on facilitating creation and sharing of short-videos, which range from seconds to minutes in duration and easily shared and accessed across the mobile internet
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"stock image(s)"	generic photos, illustrations and icons etc., created with or without a particular project in mind, that can be used for other productions
"stock video(s)" or "stock footage(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
"Tencent"	Tencent Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 700)
"%"	per cent.

Shenzhen, PRC, 23 March 2021

By order of the Board
Bright Future Technology Holdings Limited
DONG Hui
Chairman, Chief Executive Officer and
Executive Director

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