

辉煌明天科技控股有限公司

Stock Code : 1351



2024

Environmental, Social and Governance Report

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2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Bright Future Technology Holdings Limited (the “**Company**”, hereinafter together with its subsidiaries referred to as the “**Group**”) is pleased to present the annual Environmental, Social and Governance Report (the “**ESG Report**”) for the fiscal year ending 31 December 2024, to provide an overview of the Group’s management and significant issues affecting its Environmental, Social and Governance (“**ESG**”) performance. The Board of Directors (the “**Board**”) is fully responsible for the Group’s ESG strategy and reporting.

The Board is responsible for assessing and determining the Group’s ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

REPORTING PERIOD

The ESG Report outlines the Group’s initiatives and performance related to environmental and social aspects during the Reporting Period from 1 January 2024, to 31 December 2024 (the “**Reporting Period**”).

SCOPE OF THE REPORT

The ESG Report covers all major subsidiaries of the Group in the People’s Republic of China (the “**PRC**”), which primarily engaged in providing intelligent marketing solutions, including two main divisions: “Influential placement services” and “integrated intelligent marketing solutions services”. The Group integrates Artificial Intelligence-Generated Content (“**AIGC**”) technology into its LinkBriAI system and incorporates this technology across its business operations. The Group will continue to assess the impact of its business on key ESG aspects for inclusion in the ESG Report.

REPORT STANDARDS

The ESG Report is prepared in accordance with the ESG Reporting Guide set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group has complied with the disclosure requirements of the “comply or explain” provisions contained in the ESG Reporting Guide. In the preparation of this ESG Report, we have outlined the Group’s performance in corporate social responsibility based on the principles of “materiality”, “quantitative”, “balance”, and “consistency”. Please refer to the table below for our understanding and response to the reporting principles.

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Reporting Principles	Definitions	Our Response
Materiality	The topics covered in this ESG Report should reflect the Group's significant impacts on the environmental, social, and governance, or the assessment and determination scope of affected stakeholders.	By continuously communicating with stakeholders and integrating the Group's strategic development and business operations, we can identify the current significant sustainable development issues.
Quantitative	The ESG Report should disclose Key Performance Indicators ("KPIs") in a measurable manner.	The Group quantifies and discloses its environmental and social KPIs, providing textual explanations for the quantified resources.
Balance	The ESG Report should fairly present the overall sustainable development performance of the Group.	The Group has detailed the sustainable development issues that have a significant impact on its business, including the achievements made and the challenges faced.
Consistency	The Group shall use consistent disclosure principles in the preparation of the ESG Report.	The Group will ensure that the scope and reporting methods of the ESG Report are fundamentally consistent each year. In the event of any changes that may affect comparisons with previous reports, the Group will make an explanation accordingly.

SOURCES OF INFORMATION

The information disclosed in this ESG Report is derived from the Group's official documents, statistical data, or publicly available information. The Board is responsible for the authenticity, accuracy, and completeness of its content.

ACCESS TO THIS ESG REPORT

The ESG Report is available in both Chinese and English. In the event of any discrepancies between the Chinese and English texts of the ESG Report, the English text shall prevail. You may access the Group's official website www.btomorrow.cn or the Stock Exchange website www.hkex.com.hk to obtain the electronic version of the ESG Report.

CONTACT INFORMATION

The Group welcomes your feedback on the ESG Report regarding sustainable development initiatives. Please contact us through our company website www.btomorrow.cn.

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STATEMENT OF THE BOARD

As a responsible corporate citizen, the Group fully recognises the importance of ESG on the path to a shared development, and joins hands with all stakeholders to make the world a better place. The Board attaches great importance to our sustainable development and is responsible for reviewing major ESG matters of the Group, supervising and evaluating the overall ESG management and implementation of the Group, and bearing overall responsibility for the Group's ESG strategy and reporting.

The Group highly esteems the suggestions and views of all stakeholders. It ensures the availability of adequate communication channels with key stakeholders to deliberate and define the Group's key ESG issues as well as the potential ESG risks it confronts. This enables the continuous enhancement of ESG-related strategies, policies and systems. The Board has reviewed the major ESG issues for this year and endorsed the proposed adjustments to the significance levels of various ESG issues, thereby ensuring the timeliness and rationality of the materiality matrix. For detailed information, please refer to the "Materiality Assessment" section.

The Group has established an ESG management system covering key indicators such as carbon emissions, pollutant emissions, energy consumption, and water resource management. The Board reviews the progress toward achieving these ESG management system annually, assessing whether adjustments or improvements are necessary to ensure continuous advancement.

The Board warrants that there are no false entries, misleading statements or material omissions in the contents of this Report and accepts responsibility for the truthfulness, accuracy and completeness of the report. This Report discloses in detail the above ESG matters, which have been reviewed and approved by the Board on 27 March 2025.

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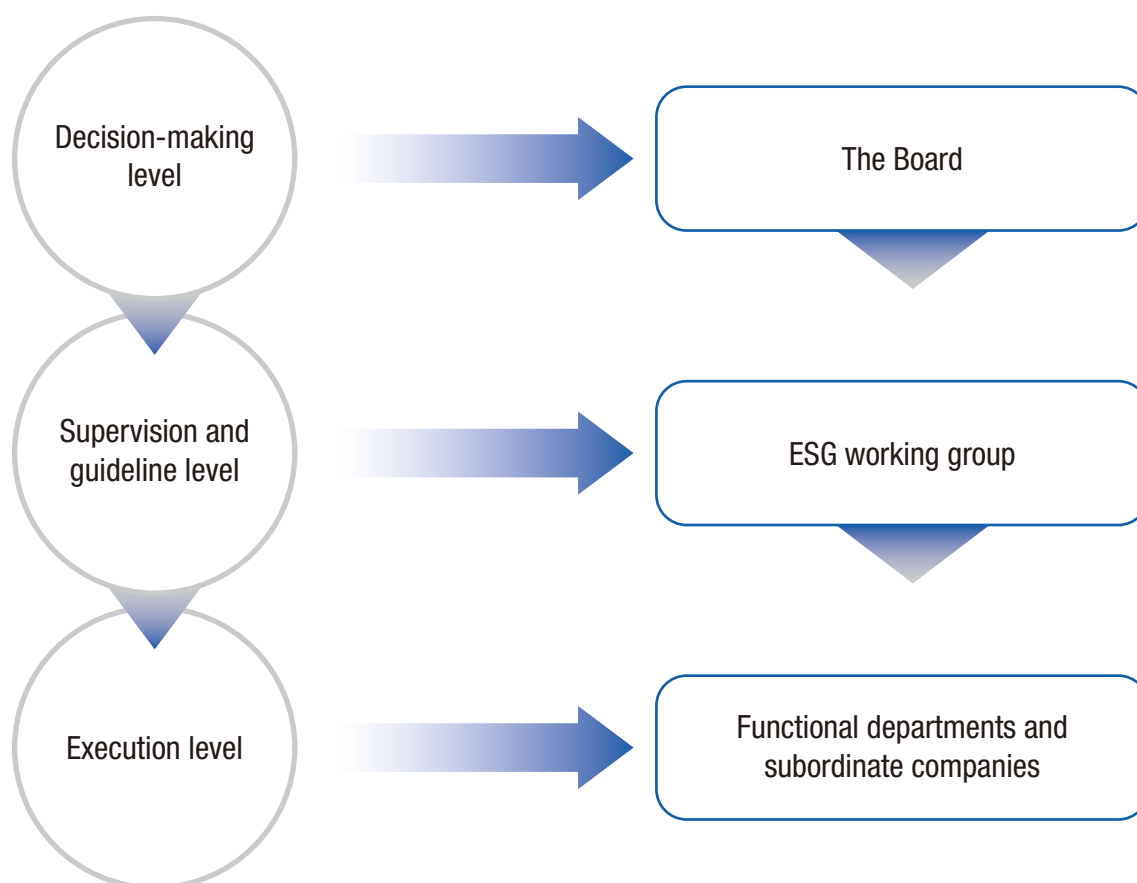
SUSTAINABLE GOVERNANCE

The Group has established an ESG framework to promote and implement the Group's sustainable development strategy. To ensure effective ESG management, we have established an ESG structure composed of the Board of Directors, the ESG Working Group, various functional departments, and subsidiaries to promote ESG management and disclosure.

The Board, as the highest decision-making body of the Group, is responsible for the Group's ESG work. The Board guides the Group's sustainable development direction and assumes overall responsibility for its ESG work. In the future, the Board will continue to strengthen ESG risk management efforts, improve ESG mechanisms and regulatory processes, and enhance ESG standards.

The ESG Working Group, as the supervisory and coordinating layer, is responsible for implementing ESG strategies, coordinating ESG matters, preparing the ESG Report, and regularly reporting relevant work progress to the Board of Directors.

Each functional department and subsidiary, as the executing layer, is responsible for advancing the initiatives set forth by the ESG Working Group and reporting relevant work progress and data.



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STAKEHOLDER ENGAGEMENT

We have identified the key stakeholders in our business operations and engage with them regularly through various communication channels. The table below outlines the issues of concern to our key stakeholders and the ways we communicate with them:

Stakeholder	Expectation	Engagement channel	Measures
Government	<ul style="list-style-type: none"> – Compliance with laws – Proper tax payment – Promotion of regional economic development and employment 	<ul style="list-style-type: none"> – On-site inspections and checks by various government departments – Discussions through workshops – Preparation and submission of work reports for approval 	<ul style="list-style-type: none"> – Strengthening safety management – Cooperating with government supervision, inspections, and evaluations – Operating, managing, and paying taxes in accordance with laws and regulations – Actively undertaking social responsibility
Shareholders and Investors	<ul style="list-style-type: none"> – Risk control and assessment – Investment returns – Data disclosure and transparency – Protecting shareholder rights and fair treatment of shareholders – Comprehensive Investor Relations and Communication with Shareholders 	<ul style="list-style-type: none"> – Annual General Meeting – Online Results Presentation – Online Broker Seminar – Investor Conference Call – Interim Report and Annual Report – Website – WeChat Official Account – Email – Announcements – Investor Relation Personnel – Direct Communication with Media Reporters, Securities Analysts Managers, Fund Managers, and Investors 	<ul style="list-style-type: none"> – Issue notices of the Annual General Meeting and present resolutions in accordance with regulations – Hold the Annual General Meeting and publish interim and annual reports to disclose company information – Disclose company contact details on the website and in reports to ensure smooth and effective communication channels – Establish an Investor Relations position to actively and promptly communicate with investors – Develop a shareholder communication policy and review it regularly to ensure effectiveness – Media reporting, multi-channel information disclosure, and publication

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Stakeholder	Expectation	Engagement channel	Measures
Employees	<ul style="list-style-type: none"> – Protecting employee rights and interests – Health and safety work environment – Career development opportunities – Self-fulfilment – Health and safety 	<ul style="list-style-type: none"> – Seminars – Training, workshops, briefings – Cultural and sports activities – Email – Face-to-face meetings/discussions/communications when necessary – Dedicated email account for reporting/complaints – Special internal training programs – External training programs 	<ul style="list-style-type: none"> – Provide information, guidance, training, and supervision to safeguard the interests and safety of employees – Encourage the reporting of workplace discrimination and sexual harassment through a whistleblower policy in a safe and confidential manner to create a secure work environment – Foster a healthy work environment to promote physical and mental health – Establish a fair performance evaluation and promotion mechanism – Provide assistance to employees when needed and organise employee activities – Aim to maintain a low number of employee grievances/complaints – No legal disputes regarding employee relations – Strive to reduce employee turnover rate to retain sufficient talent reserves for the Group's development – Launch specialised training programs such as "Internal Instructor Certification Activities" and "Talent Gathering Program" – Encourage employees to participate in external training programs organised by the Group's deep cooperation partners

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Stakeholder	Expectation	Engagement channel	Measures
Customers	<ul style="list-style-type: none"> – Customer-oriented quality integrated services – Marketing budget/cost – Activity awareness – Quantified costs – Low cost, self-service options – Stable relationships and reliable services – Information transparency – Latest marketing techniques, trend awareness, and content Capability – Generate sales – Character – Business ethics 	<ul style="list-style-type: none"> – Customer Feedback Form – Field Visit – Report – Email – Regular Meetings – Phone – Wuhan Short Video Base – Cloud repository AI management system 	<ul style="list-style-type: none"> – One-stop customised intelligent marketing solutions – Marketing campaigns tailored by experienced advertising optimisers – Flexible and applicable advertising strategies – Extensive channel network and Media Resources – Real-time monitoring of marketing effectiveness post-launch – Monitoring and awareness of marketing and technology trends – Promotion through various online and offline marketing activities – Organizing meetings and site visits according to client needs – Established content capability with an in-house short video production team – Enhanced trend forecasting generated through data feedback to achieve content effectiveness
Suppliers/Partners	<ul style="list-style-type: none"> – Long-term partnership – Honest collaboration – Fair and transparent attitude – Shared information resources 	<ul style="list-style-type: none"> – Business meetings, supplier meetings, phone calls, interviews – Review and evaluation – Training programs provided by media publishers – Maintain stable cooperation and solid partnerships with media publishers/platforms 	<ul style="list-style-type: none"> – Fulfil contracts according to agreements – Enhance daily communication to establish long-term cooperative relationships with quality suppliers – Receive commendations and recognition from the Group's business partners – As a strategic partner or core service provider for media publishers/platforms, expand access to media resources – Actively participate in training programs offered by media publishers/platforms

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Stakeholder	Expectation	Engagement channel	Measures
Peer/Industry Associations	<ul style="list-style-type: none"> – Share experiences – Corporations – Fair competition 	<ul style="list-style-type: none"> – Seminars and Courses – Site visits 	<ul style="list-style-type: none"> – Adhere to fair competition and collaborate with peers for a win-win outcome
Financial Institutions	<ul style="list-style-type: none"> – Comply with laws and regulations – Data disclosure 	<ul style="list-style-type: none"> – Consultation – Data Disclosure – Report 	<ul style="list-style-type: none"> – Strictly adhere to regulatory requirements – Timely and accurately disclose and report true information in accordance with laws and regulations
Bank	<ul style="list-style-type: none"> – Timely repayment of loans – Honest collaboration 	<ul style="list-style-type: none"> – Meetings – Site visits – Daily communication 	<ul style="list-style-type: none"> – Repayment of loans and interest according to contract terms – Compliance with debt covenants
Public and Community	<ul style="list-style-type: none"> – Community engagement – Social responsibility 	<ul style="list-style-type: none"> – Charity – Visits 	<ul style="list-style-type: none"> – Prioritise hiring local individuals seeking employment with the company to promote community building and development – Support local brands and industries through co-hosting brand promotion and consumer engagement activities – Support the digitalisation of traditional industries

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MATERIALITY ASSESSMENT

The Group places great importance on the assessment of ESG materiality issues to timely and comprehensively understand the significance of various ESG issues on the Group's business development and the expectations of stakeholders, thereby promoting the effective disclosure of the Group's ESG information and the continuous improvement of related management levels.

During the Reporting Period, the steps for assessing the Group's ESG materiality issues were as follows:

- Step 1** The Group identified the following 21 issues based on the disclosure requirements outlined in the ESG Reporting Guidelines and in conjunction with the Group's business characteristics and daily operations. These issues are considered to have an impact on the environment and society during our operational processes.
- Step 2** Based on the understanding of stakeholders' demands and expectations in daily operations, the Group benchmarks the key points and trends of ESG work among peers to determine the materiality of ESG issues.
- Step 3** Based on the results of the materiality assessment, the Group discusses and determines the disclosure focus of the report during the Reporting Period and the key points for improvement in the Group's future ESG work.

High importance	Environmental	Managing Environmental and Natural Resource-related Risks
	Social	Employment and Employee Benefits Occupational Health and Safety Supplier Selection and Evaluation Service Quality Complaint Handling Protection of Intellectual Property Customer Data Privacy and Safety Anti-corruption and Anti-money Laundering
	Importance	
Importance	Environmental	Exhaust Emissions Greenhouse Gas Emissions Waste Management Energy Consumption Water Consumption Paper Consumption Climate Change
	Social	Equal Opportunity Employee Development and Training Prevention of Child Labor and Forced Labor Monitoring and Managing Environmental and Social Risks in the Supply Chain Community Investment

According to the results of the materiality assessment, 9 key issues¹ are considered the most concerning issues for stakeholders and the Group. The Group, while balancing environmental and social responsibilities, will pay more attention to these areas, striving for continuous improvement and achieving sustainable business development.

Note:

¹ Presented in bold.

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A. ENVIRONMENTAL ASPECT

Aspect A1: Emissions

The Group's operations have a relatively minor environmental impact compared to traditional industries. Following a thorough evaluation, no significant environmental liability risks or compliance costs have been identified. The Group is committed to sustainable development and fully complies with environmental laws and regulations, including the Environmental Protection Law of PRC, the Law on Air Pollution and Control of PRC, the Water Pollution and Control Law of PRC, the Solid Waste Pollution Prevention and Control Law of PRC, and the Energy Conservation Law of PRC.

During the Reporting Period, the Group, based on the nature of its business, did not discharge large amounts of pollutants into water and land, nor did it generate significant amounts of hazardous waste and packaging materials. There were no significant violations or non-compliance with applicable environmental laws and regulations.

Air Emissions

Due to the business nature of the Group, there are no fixed machinery emission sources involved in gas fuel consumption and emission in our normal operations. Emissions including nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM) are generated from the Group's own vehicles.

Greenhouse Gas ("GHG") Emissions

The Group's business is mostly conducted in local offices. We are fully aware that office activities have an impact on the environment and have therefore adopted a series of general guidelines to manage this. The Group's primary environmental impact is the emission of GHG due to electricity consumption, mainly from computer equipment, air conditioning systems, and lighting systems. Overall, the GHG emitted by the Group is primarily carbon dioxide.

In actual operations, we proactively implement a series of effective measures to minimise the environmental impact of our business activities. In line with the aim to minimise emissions, the Group meticulously create green offices by fostering an environmentally friendly working atmosphere through specific actions which are mentioned in the section headed "Aspect A2: Resource Utilisation" to reduce the GHG emissions.

Waste Management

Due to the Group's business nature, the Group's ordinary course of business does not generate any material hazardous waste. Regarding non-hazardous waste, the Group's main waste is paper waste. To minimise waste and promote sustainability, the Group has implemented several measures:

- encourage double-sided printing or copying of paper (where applicable);
- encourage employees to use appropriate font sizes/reduction modes to save paper (if possible);
- use online office systems to minimise paper usage;
- bring own cup to avoid using paper cups;
- collect cardboard boxes for recycling; and
- strictly adhere to procurement plans to avoid duplicate purchases and idle resources.

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Aspect A2: Use of Resources

The Group consistently places high importance on the effective utilisation of resources as a key focus area. Currently, the resources used in the Group's daily operations mainly include water and electricity. Since the Group is not involved in the product production process, it avoids the generation of waste that may occur during the processing of raw materials, packaging materials, and related waste materials.

Water Usage

In terms of water usage, the Group's current water supply was stable and sufficient for daily office operations, with no sourcing concerns. The Group advocates for water conservation and promotes this principle among its employees. The Group uses materials that purify the production environment to effectively reduce the consumption of detergents and tap water. Additionally, we promote environmental protection, such as posting slogans or posters in the office to save water.

Energy Efficiency

Based on a firm commitment to sustainable development, the Group is actively dedicated to promoting the efficient use of energy and has proactively implemented energy-saving practices across its operations to reduce energy consumption. The actual measures implemented are as follows:

- employees are required to turn off lighting and unnecessary energy-consuming equipment, such as air conditioning systems when leaving the office;
- adopt LED lighting in the office;
- set the air conditioning system to 25°C or above when in use;
- regularly maintain office equipment and vehicles to keep them in good condition and improve operational efficiency; and
- prioritise office equipment with higher energy efficiency.

In view of our continuous effort, we target to maintain zero substantial non-compliance cases in relation to the emission of exhaust gases, GHG and energy consumption in the coming five years.

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Aspect A3: Environment and Natural Resources

The Group's business operations do not result in any material adverse effects on the environment or natural resources. This is largely due to the nature of our activities, which do not involve industries such as heavy manufacturing or resource extraction that typically generate substantial environmental footprints.

Despite the absence of significant direct impacts, we regard environmental protection as a fundamental responsibility and are committed to playing an active role in promoting sustainability. To this end, we have implemented a range of proactive initiatives and efforts. At the employee level, systematic education and training are implemented to significantly enhance employees' awareness and importance of environmental issues, thereby gaining their full support for environmental protection efforts and subsequently improving the Group's overall environmental performance. Externally, efforts are focused on raising the environmental awareness of clients, business partners, and shareholders, joining forces to address environmental issues.

Aspect A4: Climate Change

The Group actively addresses the challenges of climate change, focusing on enhancing its ability to adapt to the increasing threats related to climate.

Governance

As mentioned in the "Sustainable Governance" section, the Group has established an ESG framework to promote and implement the Group's sustainable development strategy. The ESG Working Group is tasked with identifying and assessing all climate-related risks faced by the Group's operations, while promptly reporting the latest developments and trends in climate regulations and industry benchmarks to the Board of Directors.

Strategy

As a staunch supporter of the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), the Group has initiated an assessment of potential climate-related risks and has identified the continuous rise in average temperatures and the increasing severity and likelihood of extreme weather events such as heavy rainfall as major substantive risks affecting daily operations.

To effectively address climate-related risks, the Group has not only established multiple emergency mechanisms but also provided employees with sufficient social security benefits for natural disasters during working hours to mitigate the impact of extreme weather.

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Risk Category	Type of Risk	Risks	Potential Financial Impact	Mitigation Strategy
Physical Risks	Acute	Extreme weather conditions such as flooding and typhoon	Reduced revenue	Locating our offices in cities where the occurrences of extreme weather conditions are relatively rare
	Chronic	Sustained elevated temperature	Increased cost	Establishing adverse weather condition policy
				Adopting energy conservation measures
Transition Risks	Policies & Legal regulations	Changes in environmental-related regulations	Result in excessive costs	Staying informed on regulatory changes
	Reputation	Increasing public focus on climate actions by companies	Need for greater investment	Implementing energy conservation measures
	Market	Shift in customers' preference to a company that incorporates sustainability concepts better	Reduced demand	Taking sustainability and environmental issues into consideration for decision-making related to marketing campaigns and brand development to meet the expectations of the market and customers

Risk Management

In terms of risk management, the Group continuously monitor the risk management policies to ensure that the internal control system can accurately identify, properly manage, and effectively eliminate various risks involved in operations, including significant climate-related issues. Through a rigorous risk management assessment process, the physical and transitional risks induced by climate change have not yet posed a significant impact on the Group's business.

Targets and Metrics

Looking ahead, the Group will continue to identify business activities that may impact the environment and formulate targeted improvement measures to further prevent potential negative impacts on climate change during operations, contributing to environmental protection and sustainable development. For climate related metrics, please refer to "Appendix 1 Overview of KPI".

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B. SOCIAL ASPECT

Aspect B1: Employment

Employees are the Group's valuable assets, and we are fully aware that the Group's success largely depends on its ability to attract, retain, and motivate outstanding employees. Therefore, we are always fully committed to actively attracting and retaining suitable talents for the long term to contribute to the Group's development.

In the employment process, the Group adheres strictly to the Labor Law of the People's Republic of China and Labor Contract Law of the People's Republic of China along with other pertinent regulations. We have developed a detailed *Employment Handbook* that clearly stipulates the guidelines for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other terms and benefits. The Group continuously evaluates the current human resources situation and will determine whether there is a need to expand the workforce based on business development needs. We primarily recruit talent through recruitment agencies, campus job fairs, and online recruitment channels (such as the Group's website, official accounts, social network platforms, etc.), while consistently maintaining good employment relationships. Upon recruitment, the Group enters into independent labour contracts with each employee.

Our comprehensive compensation system includes basic salaries, overtime allowances, and cash bonuses determined by individual performance and the overall business results of the Group. Besides, as required under PRC regulations, we participate in various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefit plans. We are required under PRC laws to make contributions to employee benefit plans at specified percentages of the salaries. Recognising the importance of motivating staff and fostering employee loyalty, we remain committed to cultivating a healthy, positive, and supportive working environment. In addition to paid vacations, such as annual leave, sick leave, marriage leave, bereavement leave, maternity leave, paternity leave, etc., the Group also provides employees with afternoon tea, holiday benefits, community activities, annual physical examinations and other employee benefits.

During the Reporting Period, the Group was not aware of any significant non-compliance case and violation of laws and regulations related to employment.

Aspect B2: Health and Safety

Though our business does not involve significant health and work safety matters, the Group is committed to complying with applicable laws, including but not limited to the Prevention and Control of Occupational Diseases Law of the PRC and doing its best to safeguard the health and safety of its employees, those with whom it does business and the communities within which it operates. We endeavour to create a safe, healthy, and comfortable working environment that protects employees' physical and mental health and minimises the probability of occupational diseases.

Year	2024	2023	2022
Number of work-related fatalities (persons)	0	0	0
Rate of work-related fatalities (%)	0	0	0
Lost days due to work injury (days)	0	0	0

During the Reporting Period, the Group had no cases of work-related injuries and no violations of health and safety laws and regulations were found.

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Aspect B3: Development and Training

The Group deeply understands the significant value that training holds for employee growth and the long-term development of the Group. We fully recognise that employees are the core driving force behind the Group's progress, and quality training is the key to unlocking employee potential and enhancing their capabilities.

Upon joining, new employees are provided with tailored pre-employment training to help them quickly familiarise themselves with the Group's organisational structure, corporate culture, regulations, and basic job responsibilities. After employees officially join, regular and continuous management and technical training is integrated throughout their entire career development. Through pre-training notifications, sign-in during training, post-training exams, and the provision of playback and recording, we have created a complete and systematic training process for employees. We also actively expand external channels, collaborating with business partners to provide employees with more diverse skill training programs.

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

The Group provides leadership training, professional skills training and career development planning based on strategic development plans and employee growth needs. The Group has also established an online training platform – "Bright College" – to become an advisor for employee growth, a partner for business development and a disseminator of corporate culture.

We firmly believe that when the Group's business objectives and employees' personal needs are precisely aligned, creating a mutually beneficial training experience for employees not only helps them achieve their personal career aspirations and enhance their self-worth but also strongly promotes the realisation of the Group's overall goals, forging a win-win situation where employees and the Group advance hand in hand and grow together.

Aspect B4: Labor Standards

Based on respect for human rights and a commitment to social responsibility, the Group consistently adopts the most resolute attitude to strictly comply with relevant labour laws in the PRC. From the Group's top-level decision-making to grassroots execution, we comprehensively and thoroughly prohibit the employment of child labour and forced labour. In the recruitment process, we have established a rigorous and meticulous identity verification procedure, utilising multi-channel information verification methods to ensure that the age information of every new employee is authentic and reliable, thereby eliminating the possibility of child labour from the source. At the same time, we properly maintain employment contracts and other records related to all employee details (including age), which are available for verification by relevant statutory bodies as needed.

During the Reporting Period, we did not identify any issues related to child labour or forced labour within the Group.

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Aspect B5: Supply Chain Management

The Group consistently upholds a high sense of responsibility, working closely with clients and suppliers to jointly maintain high-quality standards and strictly adhere to environmental, health, and safety guidelines.

Our suppliers are primarily media publishers, including application developers and technology companies that provide advertising inventory through their own media. In a highly competitive market environment, to become the core advertising service provider for these media publishers, we must undergo rigorous selection processes and fully meet the various criteria they set. For media publishers who have not yet recognised us as their core advertising service provider, we procure advertising inventory through their core advertising service provider or other advertising agencies capable of acquiring advertising inventory. We allocate funds from our available resources to purchase advertising inventory from these media publishers based on the specific requirements of the client.

In the procurement decision-making process, we consider a variety of factors comprehensively. On one hand, due to limited working capital, achieving the transaction volume target poses certain challenges for us. However, once the target is achieved, we can enjoy the progressive discount benefits reserved in the plans for core advertising agents or service providers of media publishers. On the other hand, if the transaction volume target is not met, thereby disqualifying the aforementioned discount plan, the unified discount rate offered by the media publisher's advertising agency for the use of virtual tokens may be more favourable.

In view of this, considering the diverse needs and objectives of the clients, while adhering to the principle of cost-effectiveness, we will make flexible decisions. Sometimes, we may decide to procure advertising inventory through an advertising agency rather than solely striving to become the core advertising service provider for the media publisher.

Therefore, during the Reporting Period, we believe that the management decisions regarding supply chain management do not pose significant environmental and social risks, so we do not implement policies on managing such risks.

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Aspect B6: Product Responsibility

Tailored to address the particular needs of its customers, the Group has spearheaded the “AIPL integrative model”, with AIPL being the acronym for “Awareness, Interest, Purchase and Loyalty”, 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.

Quality Control

As an advertising operator in China, we deeply understand the significance of the criminal, administrative, and civil responsibilities we bear under the framework of the Advertising Law of the PRC. From the perspective of corporate product quality control, the advertising content we provide, much like the products manufactured by a company, must ensure high quality and eliminate any defects and violations.

At the forefront of quality control for advertising content, we have actively implemented a series of stringent preventive measures. For the client, we clearly define their obligations through the contract, requiring that the advertising content provided by the client, whether in the creative presentation of the advertisement design or the specific execution of advertisement production, must strictly comply with relevant laws and regulations. This initiative ensures the legality and compliance of the advertising content from the source, preventing issues such as false, fraudulent, misleading, or other illegal situations in the advertisements we publish due to problems with materials provided by the client.

At the same time, we will conduct a comprehensive and in-depth review of the advertiser’s qualifications. For advertising content related to certain types of products and services, such as alcohol, we require advertisers to provide necessary government approvals, such as operational qualification certificates, to confirm their legal ability to operate the product or service. We also request quality inspection certificates for advertised products, like the importance companies place on product quality inspection reports, to ensure that the products advertised meet quality standards.

In addition, to cope with the evolving and challenging market environment, we actively exploring new media channels with growth momentum and strong credibility while it continues to expand its business relationships with industries that showed strong post-pandemic development, such as insurance, local life and entertainment, we also further strengthened our business relationship with well-known domestic AIGC technology and product suppliers, as well as intelligent assistant customers. Our AIGC services enable businesses to explore new avenues for reaching their target audience, such as through personalised advertising, dynamic content creation and predictive analytics, which can lead to more engaging and impactful marketing campaigns, ultimately driving better results and customer satisfaction.

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Intellectual Property

As the foundation of our business, intellectual property carries the core competitiveness and long-term development potential of the company. Therefore, we spare no effort in investing a significant amount of time and abundant resources to deeply develop and comprehensively protect it. As of the date of this Report, we have a total of 180 intellectual property rights, including 2 approved patents and 178 registered software copyrights.

We protect our intellectual property rights primarily by registering copyrights for our self-developed software. Additionally, we require all employees to enter into standard confidentiality agreements, confirming that inventions, trade secrets, developments and processes created during their employment belong to the Group, and assigning to us any related ownership rights. Confidentiality clauses are also included in contracts with our suppliers and customers. Despite these protective measures, there remains a risk that third parties could obtain and use our intellectual property without our consent.

Regarding our domain names, we typically renew registrations annually, submitting renewal applications approximately one month prior to expiration. Under normal circumstances, domain registrations become effective immediately upon payment of renewal fees. However, if renewal is unsuccessful for any reason, the domain name registrar may deregister the relevant domain name.

Data Privacy and Security

In today's highly digitalised business environment, data privacy and security have become critical aspects that cannot be overlooked in corporate operations. We are committed to complying with relevant laws and regulations in the PRC, including Administrative Measures for Internet Information Services, and the Cybersecurity Law of the PRC. In the course of our daily business activities, we do not collect any personally identifiable information through our Data Management Platform ("DMP") or self-developed software, which typically gathers only advertisement-related data. When accessing data via advertisement placement systems operated by media publishers, the publishers retain control over their own databases, which may contain users' personally identifiable information. Such information is protected under applicable data privacy regulations, and we have no authority to access or collect it from their systems. According to legal advice we have obtained, the anonymised, non-identifiable data we receive – which relates solely to public advertisement information – does not constitute "personal information" under applicable PRC privacy laws and regulations.

Employees with potential access to confidential or privacy-related information are required to sign confidentiality agreements. These agreements legally oblige employees not to misuse confidential information during their employment, to return all confidential information upon resignation, and to maintain confidentiality obligations even after leaving the Group. Employees are liable for compensation should they breach confidentiality obligations or cause leakage of confidential information through misconduct.

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To safeguard data security, the Group adopts rigorous information storage and processing measures. Our IT network employs multiple layers of security protection for databases and servers. User data is backed up daily to a separate secure system, mitigating risks of data loss or leakage. Additionally, we implement a range of security protocols, including regular system checks, password policies, server access logging, network access authentication, user authorisation reviews and approvals, data backup procedures and periodic data recovery testing. We continuously upgrade and maintain our systems to further strengthen data security and ensure proper management of operational data.

During the Reporting Period, there were no disputes between the Group and customers concerning service quality, no complain with product and service, and no cases of non-compliance with laws and regulations related to product responsibility were reported.

Aspect B7: Anti-corruption

To ensure operational efficiency and employee development within a fair and honest working environment, the Group has established a whistleblowing policy and the “Anti-Fraud” system to promote business ethics and integrity, and prevent corruption, extortion and money laundering. Employees are encouraged to report any suspected misconduct through anonymous channels, including by letter, meeting or telephone. These measures help to foster customer trust, employee fairness, and a stronger sense of belonging within the Group.

Based on the “Anti-Fraud System”, the Group designates the internal audit department as a permanent anti-fraud agency responsible for organising and executing anti-fraud work, including assisting in organising annual fraud risk assessments; assisting in anti-fraud publicity activities; accepting fraud reports and registering them, organising investigations into fraud cases, issuing handling opinions, and reporting to the Board.

The Group strictly complies with all applicable laws and regulations relating to anti-corruption, including but not limited to:

- Criminal Law of the People’s Republic of China
- Company Law of the People’s Republic of China
- Anti-Unfair Competition Law of the People’s Republic of China
- Anti-Money Laundering Law of the People’s Republic of China

During the Reporting Period, there were no legal proceedings against the Group or its employees concerning corruption, extortion, or money laundering. Additionally, anti-corruption training was provided internally to senior management during the Reporting Period.

Aspect B8: Community Investment

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. We strive to build long-term relationships with our stakeholders and to support initiatives that positively impact community development. These initiatives include co-hosting local brand awareness programmes and continually promoting and facilitating the digitisation of local businesses. Moving forward, we aim to deepen our community engagement by expanding our support for sustainable development projects. This will involve collaborating with local partners to address key priorities such as education and environmental concerns, ensuring our efforts contribute to lasting positive change in the regions where we are active.

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APPENDIX 1 OVERVIEW OF KPIs

1. Environmental Aspect²

KPIs Number	KPIs	Unit	2024	2023
A1.1 Emissions	Sulphur Dioxide (SO _x)	Kilograms	0.06	0.05
	Nitrogen Oxides (NO _x)	Kilograms	2.80	2.27
	Particulate Matter (PM)	Kilograms	0.21	0.17
A1.2 Greenhouse Gas Emissions	Scope 1 Direct Emissions	Kilograms of CO ₂ Equivalent	11,405.69	9,734.77
	Scope 2 Indirect Emissions	Kilograms of CO ₂ Equivalent	56,802.60	65,611.98
	Scope 3 Other Indirect Emissions	Kilograms of CO ₂ Equivalent	47,743.00	N/A
	Total	Kilograms of CO ₂ Equivalent	115,951.29	75,346.75
	Intensity	Kilograms of CO ₂ Equivalent/Revenue in RMB Thousand	0.11	0.08
A1.3 Hazardous Waste³	Total amount of hazardous waste	Tonnes	0.053	0
	Intensity	Tonnes/Revenue in RMB thousand	0.000000051	0
A1.4 Non-hazardous Waste	Total amount of non-hazardous waste ⁴	Tonnes	13.10	5.00
	Intensity	Tonnes/Revenue in RMB thousand	0.000013	0.0000056
A2.1 Energy Consumption	Unleaded gasoline	Kilowatt-hour	41,556.58	34,840.46
	Purchased electricity	Kilowatt-hour	105,856.50	107,543.00
	Total	Kilowatt-hour	147,413.08	142,383.46
	Intensity	Kilowatt-hour/Revenue in RMB thousand	0.14	0.16
A2.2 Water Consumption	Water	Tonnes	29.56	N/A
	Intensity	Tonnes/Revenue in RMB thousand	0.000028	N/A

Notes:

² The calculation of environmental Key Performance Indicators refers to the "How to Prepare an ESG Report – Appendix 2: Environmental Key Performance Indicators Reporting Guide" published by the Hong Kong Stock Exchange.

³ 0.8kg/piece for waste toner cartridges, 0.4 kg/piece for waste tube.

⁴ The waste generation factor is cited from "Practice and Data Analysis of Garbage Classification In Typical Office Space" published by Centre Environmental Education and Communications of Ministry of Environmental Protection.

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2. Social Aspect

KPIs Number	KPIs	Unit	2024	2023
B1.1 Total Number of Employees	By Gender			
	Male	Person	92	87
	Female	Person	119	135
	By Employment Type			
	Full-time	Person	209	222
	Part-time	Person	2	0
	By Age Group			
	30 Years or Below	Person	146	168
	31–40 Years	Person	53	43
	41–50 Years	Person	7	6
	51 Years or Above	Person	5	5
	By Region			
	China	Person	211	222
B1.2 Employee Turnover Rate	Turnover Rate by Gender			
	Male	%	58	71
	Female	%	68	60
	Turnover Rate by Age Group			
	30 Years or Below	%	82	73
	31–40 Years	%	28	42
	41–50 Years	%	14	33
	51 Years or Above	%	60	20
	Turnover Rate by Region			
	China	%	64	64

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KPIs Number	KPIs	Unit	2024	2023
B3.1 Percentage of Employees Trained by Gender and Employee Category	Employee Percentage	%	16	N/A ⁵
	Percentage by Gender			
	Male	%	33	N/A
	Female	%	67	N/A
	Percentage by Employee Category			
	Senior Management	%	13	N/A
	Middle Management	%	3	N/A
	General staff	%	84	N/A
B3.2 Average Training Hours Completed per Employee by Gender and Employee Category	Average Training Hours	hours	0.31	N/A ⁶
	Average Training Hours by Gender			
	Male	hours	0.24	N/A
	Female	hours	0.37	N/A
	Average Training Hours by Employee Category			
	Senior Management	hours	3	N/A
	Middle Management	hours	0.05	N/A
	General staff	hours	0.39	N/A

Notes:

⁵ In view of our materiality assessment results, these Key Performance Indicators were considered insignificant and therefore not disclosed in 2023.

⁶ In view of our materiality assessment results, these Key Performance Indicators were considered insignificant and therefore not disclosed in 2023.

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KPIs Number	KPIs	Unit	2024	2023
B5.1 Number of Suppliers	Number of Suppliers by Region			
	China	Supplier	242	241
	Hong Kong	Supplier	1	3
	Macau	Supplier	2	0
	Singapore	Supplier	1	0
	Total		246	244
B6.2 Number of Complaints Regarding Products and Services	Number of Complaints Received Regarding Products and Services	Cases	0	0
B7.1 Corruption Litigation Cases	Number of Corruption Litigation Cases Filed and Concluded	Cases	0	0

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APPENDIX 2 THE STOCK EXCHANGE ESG GUIDE – CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter Index
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on:	Air Emissions
	(a) the policies; and	GHG Emissions
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Overview of KPIs
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Overview of KPI
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter Index
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Water Usage Energy Efficiency
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Overview of KPI
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Water Usage
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Usage
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable, the Group's business does not involve packaging materials
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter Index
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Governance Risk Management
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Strategy Targets and Metrics
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Overview of KPI
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Overview of KPI

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter Index
Aspect B2: Health and Safety		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Overview of KPI
KPI B3.2	The average training hours completed per employee by gender and employee category.	Overview of KPI

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter Index
Aspect B4: Labour Standards		
General Disclosure	Information on:	Labor Standards
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labor Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labor Standards
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Overview of KPI
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter Index
Aspect B6: Product Responsibility		
General Disclosure	Information on:	Quality Control
	(a) the policies; and	Intellectual Property
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Data Privacy and Security
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve the manufacturing of products and therefore does not involve product recall
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Overview of KPI
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Control
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Privacy and Security

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter Index
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Overview of KPI
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Community Investment