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BRIGHT FUTURE TECHNOLOGY HOLDINGS LTD: HOW MANY COMPANIES WOULD SEEK TO LIST THEIR SHARES ON AN EQUITY MARKET FOR AN IMMATERIAL, PALTRY GAIN ?

Probably, the two most-interesting aspects, in respect of the flotation of Bright Future Technology Holdings Ltd (輝煌明天科技控股有限公司) (Code: 1351, Main Board, The Stock Exchange of Hongkong Ltd), were that this Company has only been in business for the past five years and that the amount of money, raised in the Company's Share Offer, was, in reality, only \$HK35 million!

For many investors, hot to trot to invest in shares of publicly listed companies, they may well think more than twice before putting their money on the table in exchange for this Company's scrip.

This Company is, according to Page 125 of its Share Offer Prospectus, engaged in being '*a mobile advertising company offering one-stop and tailor-made advertising services to customers in China.*'

It was the brainchild of Mr Dong Hui (董暉), his wife, Ms Gao Yu Qing (高雨晴), and Mr Yang Deng Feng (楊登峰).

Mr Dong Hui had been working at Tencent Technology (Shenzhen) Company Ltd (騰訊科技[深圳]有限公司), a wholly owned subsidiary of Tencent Holdings Ltd (騰訊控股有限公司) (Code: 700, Main Board, The Stock Exchange of Hongkong Ltd) from April 2011 until August 2015.

As for Mr Yang Deng Feng, he, too, had been working at Tencent Technology (Shenzhen) Company Ltd from July 2006 until June 2007, and then at Shenzhen Tencent Computer Systems Company Ltd (深圳市騰訊計算機系統有限公司) from December 2008 until May 2015.

On December 28, 2015, Shenzhen Bright Future Technology Company Ltd (深圳輝煌明天科技有限公司) was incorporated in the **People's Republic of China (PRC)**.

This company is, today, a wholly owned subsidiary of Bright Future Technology Holdings Ltd that is domiciled in the Cayman Islands and being the parent company of the six, wholly owned subsidiaries of publicly listed Bright Future Technology Holdings Ltd.

That which might be considered somewhat tantalising to the many husbands of the world is that it was the wife of Mr Dong Hui, who had been personally responsible for the incorporation of Shenzhen Bright Future Technology Company Ltd in the PRC, as well, it appears, as putting up the Initial Registered Share Capital of one million renminbi.

(More about the history and business of Bright Future Technology Holdings Ltd later on in this analysis.)

The Initial Public Offering (IPO) Of Bright Future Technology Holdings Ltd

On Wednesday, October 28, 2020, Bright Future Technology Holdings Ltd unleashed its Share Offer Prospectus on the investing public of the **Hongkong Special Administrative Region (HKSAR)** of the PRC.

The Company offered a total of 125 million, ten-cent Shares at the indicative Offer Price Per Share, ranging from a low of \$HK1.00 to a high of \$HK1.10.

Investors of the HKSAR were Offered the opportunity to subscribe to 12.50 million Shares (the HKSAR Public Offer Shares tranche) and (presumably) International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investors has very material interests via equity control – were induced to subscribe, via valid applications, to 112.50 million Placing Shares (the Placing Shares tranche).

On Tuesday, November 10, 2020, in an Announcement as to the Offer Price and Allotment Results, Management of Bright Future Technology Holdings Ltd stated that the Offer Price Per Share had been struck at \$HK1.10 and that the Company anticipated, netting about \$HK86 million from the Share Offer.

With regard to the HKSAR Public Offer Shares tranche, one was informed that it had *‘been significantly over-subscribed,’* Management, having received a total of 18,481 valid applications for a total of 391,560,000 Public Offer Shares, representing about 31.32 times the 12.50 million Shares, initially available under this tranche.

As for the Placing Shares tranche, Management stated that it had *‘been just sufficiently subscribed’* by about 1.03 times the 112.50 million Placing Shares, initially available under this tranche.

At Page Nine of the November 10, 2020 Announcement, it was stated as to how Management presently envisaged the utilisation of the net proceeds of the Share Offer:

- Approximately, \$HK55.80 million of the net proceeds, that is about 64.90 percent, *‘will be used to fund the expansion of the Group’s intermediary services through accepting more advertising orders from customers for placing advertisements at Media Publisher E, Media Publisher F and Media Publisher C, in particular, approximately 40%, 30% and 30% of which will be applied for the future increase in transaction amount with Media Publisher E, Media Publisher F and Media Publisher C, respectively’;*

- Approximately, \$HK18.30 million of the net proceeds, that is about 21.30 percent, *‘will be used to fund the expansion of the Group’s marketing, customer services and design teams’*;
- Approximately, \$HK9.00 million of the net proceeds, that is about 10.50 percent, *‘will be used to enhance the information technology and DMP (Data Management Platforms) systems of the Group’*; and,
- Approximately, \$HK2.90 million of the net proceeds, that is about 3.30 percent, *‘will be used for the Group’s general working capital.’*

The Business Overview Of Bright Future Technology Holdings Ltd

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