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FUTURE DATA GROUP LIMITED

未來數據集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8229)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Future Data Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

- The revenue of the Group from continuing operations for the year ended 31 December 2024 (the “**Year**”) was approximately HK\$437.6 million, representing a decrease of approximately HK\$16.1 million or 3.5%, from approximately HK\$453.7 million for the year ended 31 December 2023 (the “**Previous Year**”).
- Loss for the Year was approximately HK\$17.8 million, representing a decrease of approximately HK\$1.3 million or 6.8%, from approximately HK\$19.1 million for the Previous Year.
- The basic and diluted loss per share from continuing and discontinued operations for the Year was HK3.01 cents (2023: HK3.32 cents).
- The Board did not recommend the payment of any dividend for the Year (2023: nil).

ANNUAL RESULTS

The Board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated results of the Group for the Year together with the comparative figures for the Previous Year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000 (restated)
Continuing operations			
Revenue	5	437,639	453,731
Cost of services		<u>(393,819)</u>	<u>(394,526)</u>
Gross profit		43,820	59,205
Other income	6	2,349	3,924
Provision for impairment of trade receivables, net		(338)	(754)
Impairment of goodwill		(6,741)	–
Selling and administrative expenses		(59,568)	(66,941)
Finance costs	7	<u>(449)</u>	<u>(2,908)</u>
Loss before income tax from continuing operations	8	(20,927)	(7,474)
Income tax (expense)/credit	9	<u>(118)</u>	<u>1,926</u>
Loss for the year from continuing operations		<u>(21,045)</u>	<u>(5,548)</u>
Discontinued operation	11		
Profit/(loss) for the year from discontinued operation		<u>3,252</u>	<u>(13,566)</u>
Loss for the year		<u>(17,793)</u>	<u>(19,114)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company			
– from continuing operations		(19,450)	(4,920)
– from discontinued operation		<u>3,007</u>	<u>(11,447)</u>
		<u>(16,443)</u>	<u>(16,367)</u>
Non-controlling interests			
– from continuing operations		(1,595)	(628)
– from discontinued operation		<u>245</u>	<u>(2,119)</u>
		<u>(1,350)</u>	<u>(2,747)</u>
		<u>(17,793)</u>	<u>(19,114)</u>

	Notes	2024 HK\$'000	2023 HK\$'000 (restated)
Other comprehensive (expense)/income for the year			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement effects of defined benefit obligations		(673)	(3,957)
Deferred tax credit		141	827
Recognition of actuarial losses on defined benefit obligations		(532)	(3,130)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(17,473)	(3,412)
Total other comprehensive expense, net of tax		(18,005)	(6,542)
Total comprehensive expense for the year		(35,798)	(25,656)
Total comprehensive (expense)/income attributable to:			
Owners of the Company			
– from continuing operations		(37,455)	(11,462)
– from discontinued operation		3,007	(11,447)
		(34,448)	(22,909)
Non-controlling interests			
– from continuing operations		(1,595)	(628)
– from discontinued operation		245	(2,119)
		(1,350)	(2,747)
		(35,798)	(25,656)
Loss per share attributable to owners of the Company	12		
From continuing and discontinued operations			
Basic and diluted (HK cents per share)		(3.01)	(3.32)
From continuing operations			
Basic and diluted (HK cents per share)		(3.56)	(1.00)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		25,279	32,438
Intangible assets		8,361	10,591
Goodwill		9,225	15,966
Other financial assets		3,945	4,412
Rental and other deposits		386	1,154
Prepayments	13	21	2,070
Defined benefit assets		232	652
Deferred tax assets		4,567	4,879
		52,016	72,162
Current assets			
Inventories		476	3,327
Trade and other receivables	13	61,568	54,257
Contract assets		1,347	7,684
Prepayments	13	451	4,565
Tax recoverable		182	–
Fixed bank deposits		22,982	11,216
Cash and cash equivalents		81,807	122,708
		168,813	203,757
Current liabilities			
Trade and other payables	14	57,263	67,472
Contract liabilities		148	13,594
Amount due to a shareholder		1,376	1,376
Amount due to a shareholder of a subsidiary		188	188
Lease liabilities		1,420	2,050
Convertible notes		2,026	–
Derivative components embedded in convertible notes		25	–
Tax payable		–	84
		62,446	84,764
Net current assets		106,367	118,993
Total assets less current liabilities		158,383	191,155

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Lease liabilities		1,211	2,508
Loan from a shareholder		5,800	5,648
		7,011	8,156
Net assets		151,372	182,999
EQUITY			
Share capital		5,467	5,467
Reserves		145,962	176,637
Equity attributable to owners of the Company		151,429	182,104
Non-controlling interests		(57)	895
Total equity		151,372	182,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Future Data Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 4 January 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business is located at Room 1703, 17/F., Office Tower, Convention Plaza, No. 1 Harbour Road, Wan Chai, Hong Kong.

The principal place of the business of the Company’s indirect wholly-owned subsidiary in Korea, is located at Units A1304–1310, 13/F., 150 Yeongdeungpo-ro, Yeongdeungpo-gu, Seoul, Korea.

The principal activity of the Company is investment holding. The Company and its subsidiaries (together the “**Group**”) is engaged in the provision of (i) integration of systems with network connectivity, cloud computing and security elements, and (ii) maintenance services.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain other financial assets which are measured at fair values.

(c) Functional and presentation currency

The functional currencies of the Company’s principal operating subsidiaries in Korea and Hong Kong, are South Korean Won (“**KRW**”) and Hong Kong Dollars (“**HK\$**”) respectively, while the consolidated financial statements are presented in HK\$ which is also the functional currency of the Company. As the Company’s shares are listed on GEM of the Stock Exchange, the directors consider that it will be more appropriate to adopt HK\$ as the Group’s presentation currency. The amounts stated are rounded to the nearest HK\$1,000 unless otherwise stated.

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Application of amendments to HKFRSs

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are effective for the Group’s financial year beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)
	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods.

(b) New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

5. REVENUE

Revenue mainly represents income from provision of system integration, maintenance services and cyber security services during the reporting period. An analysis of the Group's revenue by category for the year ended 31 December 2024 and 2023 were as follows:

(a) An analysis of the Group's revenue by business segments and timing of recognition:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from customers and recognised over time		
– Contract revenue from provision of system integration	275,373	301,375
– Contract revenue from provision of maintenance services	151,169	152,356
– Contract revenue from provision of other services	11,097	–
– Contract revenue from provision of cyber security services	2,447	28,277
	<u>440,086</u>	<u>482,008</u>
Representing:		
Continuing operations	437,639	453,731
Discontinued operation	2,447	28,277
	<u>440,086</u>	<u>482,008</u>

System integration, maintenance services, other services and cyber security services represent performance obligations that the Group satisfies over time for each respective contract.

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables (net of impairment)	44,362	44,309
Contract assets	1,347	7,684
Contract liabilities	148	13,594

(b) Disaggregation of revenue

The following tables disaggregate the Group's revenue from contracts with customers:

	2024					2023				
	Continuing operations			Discontinued operation	Total	Continuing operations		Discontinued operation	Total	
	System integration	Maintenance services	Other services	Cyber security services		System integration	Maintenance services	Cyber security services		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000		
Type of services										
– Cloud infrastructure	269,982	149,026	–	–	419,008	294,730	148,168	–	442,898	
– Security	5,391	2,143	–	2,447	9,981	6,645	4,188	28,277	39,110	
– Others	–	–	11,097	–	11,097	–	–	–	–	
Total revenue from contracts with customers	<u>275,373</u>	<u>151,169</u>	<u>11,097</u>	<u>2,447</u>	<u>440,086</u>	<u>301,375</u>	<u>152,356</u>	<u>28,277</u>	<u>482,008</u>	
Type of customers										
– Public sector	168,320	129,138	–	–	297,458	143,458	122,377	–	265,835	
– Private sector	107,053	22,031	11,097	2,447	142,628	157,917	29,979	28,277	216,173	
Total revenue from contracts with customers	<u>275,373</u>	<u>151,169</u>	<u>11,097</u>	<u>2,447</u>	<u>440,086</u>	<u>301,375</u>	<u>152,356</u>	<u>28,277</u>	<u>482,008</u>	
Contract duration										
– Within 12 months	265,781	71,878	11,097	2,447	351,203	265,379	59,701	25,477	350,557	
– Over 12 months but less than 24 months	2,815	13,590	–	–	16,405	32,637	28,816	1,142	62,595	
– Over 24 months	6,777	65,701	–	–	72,478	3,359	63,839	1,658	68,856	
Total revenue from contracts with customers	<u>275,373</u>	<u>151,169</u>	<u>11,097</u>	<u>2,447</u>	<u>440,086</u>	<u>301,375</u>	<u>152,356</u>	<u>28,277</u>	<u>482,008</u>	

(c) Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Provision of system integration	75,733	101,159
Provision of maintenance services	74,404	86,321
Provision of cyber security services	–	15,227
	<u>150,137</u>	<u>202,707</u>

Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price amounting to HK\$150,137,000 (2023: HK\$202,707,000) allocated to the contracts under system integration and maintenance services as at 31 December 2024 will be recognised as revenue on or before 31 December 2027 (2023: on or before 31 December 2026).

6. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income	1,127	610
Fair value gain on derivative financial instrument	12	–
Fair value gain on other financial assets	91	108
Gain on disposal of investment properties	–	2,202
Gain on disposal of property, plant and equipment	–	660
Miscellaneous gains	1,119	421
	<u>2,349</u>	<u>4,001</u>
Representing:		
Continuing operations	2,349	3,924
Discontinued operation	–	77
	<u>2,349</u>	<u>4,001</u>

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Effective interest expense on convertible notes	145	–
Interest on borrowings	152	2,760
Interest on lease liabilities	163	270
	<u>460</u>	<u>3,030</u>
Representing:		
Continuing operations	449	2,908
Discontinued operation	11	122
	<u>460</u>	<u>3,030</u>

8. LOSS BEFORE INCOME TAX

Loss before income tax from continuing operations is arrived at after charging/(crediting):

	2024 HK\$'000	2023 HK\$'000 (restated)
Cost of inventories recognised as expenses	272,397	306,211
Provision for impairment of inventories	537	1,579
Employee costs	82,279	77,567
Depreciation charge:		
– Owned property, plant and equipment	2,075	2,344
– Right-of-use assets	1,567	1,228
	3,642	3,572
Depreciation of investment properties	–	223
Amortisation of intangible assets	2,230	1,731
Auditor's remuneration		
– Audit services	950	1,100
– Non-audit services	–	100
	950	1,200
Research and development costs	6,460	5,174
Subcontracting costs	73,040	59,748
Provision for impairment of trade receivables, net	338	754
Interest on lease liabilities	152	148
Fair value gain on derivative financial instrument	(12)	–
Fair value gain on other financial assets	(91)	(108)
Net loss on foreign exchange	39	1,741
Loss on lease modifications	–	3
Short-term leases expenses	438	449

Research and development costs included employee costs of approximately HK\$1,620,000 (2023: HK\$2,833,000) for the year ended 31 December 2024 as disclosed above.

9. INCOME TAX EXPENSE/(CREDIT)

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – Korea		
Provision for the year	410	1,735
Over-provision in prior years	–	(3,641)
	<u>410</u>	<u>(1,906)</u>
Deferred tax		
Korea	(91)	(648)
Hong Kong	(201)	628
	<u>(292)</u>	<u>(20)</u>
Income tax expense/(credit)	<u>118</u>	<u>(1,926)</u>
Representing:		
Continuing operations	<u><u>118</u></u>	<u><u>(1,926)</u></u>

Global Telecom Company Limited (“**Global Telecom**”) is subject to Korea Corporate Income Tax which comprised national and local taxes (collectively “**Korea Corporate Income Tax**”). Korea Corporate Income Tax is charged at the progressive rate from 9.0% to 21.0% (2023: 9.9% to 23.1%) on the estimated assessable profit of Global Telecom derived worldwide during the year ended 31 December 2024. The Korea Corporate Income Tax rates applicable to Global Telecom for the year ended 31 December 2024 are as follows:

- 9.0% (2023: 9.9%) on assessable profit up to the first KRW200 million (equivalent to approximately HK\$1.1 million for the year ended 31 December 2024 (2023: KRW200 million (equivalent to approximately HK\$1.2 million));
- 19.0% (2023: 20.9%) on assessable profit in excess of KRW200 million (equivalent to approximately HK\$1.1 million) for the year ended 31 December 2024 (2023: KRW200 million (equivalent to approximately HK\$1.2 million)) and up to KRW20 billion (equivalent to approximately HK\$108.1 million) for the year ended 31 December 2024 (2023: KRW20 billion (equivalent to approximately HK\$119.8 million)); and
- 21.0% (2023: 23.1%) on assessable profit in excess of KRW20 billion (equivalent to approximately HK\$108.1 million for the year ended 31 December 2024 (2023: KRW20 billion (equivalent to approximately HK\$119.8 million)).

The Hong Kong subsidiaries are subject to Hong Kong profits tax. Under two-tiered profits tax rates regime, if the entity has one or more connected entity, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two tiered rates. Hong Kong profits tax of the nominated entity is calculated at 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profits over HK\$2 million.

For the Hong Kong subsidiaries which do not qualify for two-tiered profits tax rates, a profits tax rate of 16.5% on assessable profit shall remain in calculating Hong Kong profits tax.

The income tax expense/(credit) for the year from continuing operations can be reconciled to the loss before income tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Loss before income tax from continuing operations	<u>(20,927)</u>	<u>(7,474)</u>
Tax thereon at domestic rates applicable to profit or loss in the jurisdictions concerned	(2,326)	(1,014)
Tax effect of expenses not deductible for tax purposes	2,280	3,248
Tax effect of revenue not taxable for tax purposes	(313)	(18)
Tax effect of temporary differences not recognised	102	(177)
Tax effect of tax losses not recognised	598	–
Withholding tax on dividend declared by a subsidiary	173	–
Over-provision in prior years	–	(3,641)
Tax credit	(405)	(709)
Others	<u>9</u>	<u>385</u>
Income tax expense/(credit)	<u><u>118</u></u>	<u><u>(1,926)</u></u>

10. DIVIDENDS

The directors do not recommend the payment of a final dividend for the years ended 31 December 2024 and 2023.

11. DISCONTINUED OPERATION

On 24 January 2024, an indirect wholly-owned subsidiary of the Company, Future Data Limited, as vendor, entered into a sale and purchase agreement with an independent third party, as purchaser, to dispose of its 64.86% equity interests in Maximus Group Consulting Limited and its subsidiaries (collectively refer to as the “Maximus Group”), including Maximus Consulting (Hong Kong) Limited and MXC Security (Singapore) Pte Ltd, at a cash consideration of HK\$1,820,000. In view of the continuous loss making operation of Maximus Group, the purpose of the disposal is to improve the overall financial position of the Group. The completion of the disposal took place on the same date. Cyber security services segment is classified as discontinued operation in accordance with HKFRS 5 and the comparative information has been re-presented on a consistent basis accordingly.

The results and cash flow information of cyber security services segment for the year ended 31 December 2024 and 2023 are presented as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	2,447	28,277
Cost of services	<u>(1,449)</u>	<u>(27,156)</u>
Gross profit	998	1,121
Other income, net	–	77
Impairment of goodwill	–	(7,534)
Selling and administrative expenses	(289)	(7,108)
Finance costs	<u>(11)</u>	<u>(122)</u>
Profit/(loss) before income tax from discontinued operation	698	(13,566)
Income tax expense	<u>–</u>	<u>–</u>
Profit/(loss) for the year after income tax from discontinued operation	698	(13,566)
Gain on disposal of subsidiaries	<u>2,554</u>	<u>–</u>
Profit/(loss) for the year from discontinued operation	<u>3,252</u>	<u>(13,566)</u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit/(loss) for the year from discontinued operation include the following:		
Depreciation of property, plant and equipment	10	157
Depreciation of right-of-use assets	36	515
Employee benefits expense	<u>208</u>	<u>15,776</u>
Cash flows from discontinued operation:		
Net cash used in operating activities	(1,671)	(4,025)
Net cash used in financing activities	<u>(41)</u>	<u>(592)</u>
Net cash flows	<u>(1,712)</u>	<u>(4,617)</u>

12. BASIC AND DILUTED LOSS PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted loss per share from continuing and discontinued operations is based on the following data.

	2024 HK\$'000	2023 HK\$'000
Loss		
Loss for the year attributable to owners of the Company	<u>(16,443)</u>	<u>(16,367)</u>
	2024 Number '000	2023 Number '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	<u>546,680</u>	<u>492,931</u>

From continuing operations

The calculation of the basis and diluted loss per share from continuing operations is based on the following data:

	2024 HK\$'000	2023 HK\$'000
Loss for the year	(16,443)	(16,367)
Less: (profit)/loss for the year from discontinued operation	<u>(3,007)</u>	<u>11,447</u>
Loss for the year from continuing operations for the purpose of basis and diluted loss per share	<u>(19,450)</u>	<u>(4,920)</u>

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is HK\$0.55 per share (2023: loss of HK\$2.32 per share), based on the profit for the year from the discontinued operation of HK\$3,007,000 (2023: loss of HK\$11,447,000) and the denominators detailed above for both basic and diluted loss per share.

The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options and convertible notes (2023: share options) as the exercise prices of those share options and convertible notes (2023: share options) were higher than the average market price for shares for the years ended 31 December 2023 and 2024. Diluted loss per share was the same as the basic loss per share for the years ended 31 December 2023 and 2024.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2024 HK\$'000	2023 HK\$'000
Trade receivables	57,973	59,860
Less: Provision for impairment	<u>(13,611)</u>	<u>(15,551)</u>
Trade receivables, net (<i>note (a)</i>)	44,362	44,309
Accrued interest	144	100
Rental and other deposits	14,493	9,327
Other receivables	<u>2,569</u>	<u>521</u>
Total trade and other receivables (<i>note (b)</i>)	<u>61,568</u>	<u>54,257</u>
Prepayments (<i>note (c)</i>)		
– Non-current	21	2,070
– Current	<u>451</u>	<u>4,565</u>
	<u>472</u>	<u>6,635</u>

Notes:

- (a) The credit terms granted by the Group to its trade customers are normally 90 days. Based on the invoice dates, the ageing analysis of the Group's trade receivables, net of impairment provision, is as follows:

	2024 HK\$'000	2023 HK\$'000
0 to 90 days	34,737	39,117
91 to 180 days	5,257	4,490
181 to 365 days	4,368	311
Over 365 days	<u>–</u>	<u>391</u>
	<u>44,362</u>	<u>44,309</u>

- (b) The Group recognised impairment, if any, of trade and other receivables for the years ended 31 December 2024 and 2023 within the scope of HKFRS 9.
- (c) The prepayments mainly included prepaid costs for maintenance services (2023: maintenance services and cyber security services) of the Group which had subcontracted to outsider service providers.

14. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables	42,693	48,899
Accruals and other payables	10,193	11,826
Advance receipts	598	295
Value-added tax payables	3,779	6,452
	<u>57,263</u>	<u>67,472</u>

Credit periods granted by suppliers normally range from 30 days to 90 days. Based on the invoice dates, the ageing analysis of the trade payables is as follows:

	2024 HK\$'000	2023 HK\$'000
0 to 30 days	34,212	44,441
31 to 60 days	3,640	2,967
61 to 90 days	667	240
91 to 180 days	1,767	695
181 to 365 days	1,933	26
Over 1 year	474	530
	<u>42,693</u>	<u>48,899</u>

Due to short maturity periods, the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of (i) integration of systems with network connectivity, cloud computing and security elements; and (ii) maintenance services. As the business environment in 2024 remained complex and challenging, coupled with budget cuts for cyber security services by public and private organisations, leading to a decline in the Group's revenue from cyber security services. The Group has discontinued the cyber security services for improving the overall financial position of the Group during the Year.

(I) Continuing Operations

The continuing operations comprise (i) integration of systems with network connectivity, cloud computing and security elements; and (ii) maintenance services. Notwithstanding the Group has recorded a loss for the Year, our order book is steady and the situation is improving. The management team of the Group will continuously implement tight cost control against those uncertainties.

Set out below were the details of the movement of projects for the Year:

	<i>HK\$'000</i>
Opening backlog as at 1 January 2024	202,707
New booking during the Year	373,972
Revenue recognised during the Year	<u>(426,542)</u>
Closing backlog as at 31 December 2024	<u><u>150,137</u></u>

(II) Discontinued Operation

Given that the performance of the businesses of Maximus Group Consulting Limited and its subsidiaries (collectively refer to as the “**Maximus Group**”) was not satisfactory and operated at a loss, the Group has disposed of the Maximus Group on 24 January 2024. More details are provided in the section headed “Material Acquisitions and Disposals of Subsidiaries” of the “Management Discussion and Analysis” in this announcement.

PROSPECTS

Looking forward, the Group believes that global and overall market sentiment and development are still weak and complex, which will continue to affect the global economic growth. The business environment in 2025 will still be more challenging than in 2024. We will remain cautious and optimistic, make good use of resources and manage risks well.

The Group will continue to develop businesses related to system development pertaining to Web3.0 and public transit sector, and explore opportunities and business opportunities therein. In addition, the Group will continue to actively explore new business opportunities, aiming to bring higher returns to the shareholders of the Company.

FINANCIAL REVIEW

REVENUE

The Group recorded a decrease in revenue from continuing operations by approximately HK\$16.1 million or 3.5%, from approximately HK\$453.7 million for the Previous Year to approximately HK\$437.6 million for the Year.

Korea and Hong Kong operations were declining during the Year. Business in Korea contributed approximately HK\$426.5 million in revenue for the Year, dropping by approximately HK\$27.2 million or 6.0% compared to approximately HK\$453.7 million in the Previous Year. Business in Hong Kong contributed approximately HK\$13.5 million in revenue for the Year which was approximately HK\$14.8 million or 52.0% lower when compared to approximately HK\$28.3 million in the Previous Year, such decline was primarily due to adverse business and economic conditions.

Revenue from system integration, maintenance services, other services and cyber security services were approximately HK\$275.4 million, HK\$151.2 million, HK\$11.1 million and HK\$2.4 million respectively, which accounted for 62.6%, 34.4%, 2.5% and 0.5%, respectively, of the Group's revenue for the Year (2023: 62.5%, 31.6%, 0.0% and 5.9%, respectively).

The public sector contributed approximately HK\$297.5 million in revenue for the Year, which increased by approximately HK\$31.7 million or 11.9%, compared with the Previous Year; while private sector contributed approximately HK\$142.6 million in revenue for the Year, which decreased by approximately HK\$73.6 million or 34% compared with the Previous Year, which is due to the increase in demand for services from public sector; but the decrease in demand from private sector in Korea.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit from continuing operations decreased by approximately HK\$15.4 million or 26% from approximately HK\$59.2 million for the Previous Year to approximately HK\$43.8 million for the Year. In terms of gross profit margin, the margin was decreased by 3.0% to 10.0% for the Year, such decrease was primarily due to keen competition in the system integration industry in Korea resulting in a pressure on contract price.

OTHER INCOME

Other income from continuing operations decreased by approximately HK\$1.6 million or 41.0%, from approximately HK\$3.9 million for the Previous Year to approximately HK\$2.3 million for the Year, the change was mainly due to the amount for the Previous Year included one-off gains from disposal of investment properties and property, plant and equipment.

SELLING AND ADMINISTRATIVE EXPENSES

The Group posted a selling and administrative expenses from continuing operations of approximately HK\$59.6 million for the Year, a decrease of approximately HK\$7.3 million or 11% compared to the amount of approximately HK\$66.9 million in the Previous Year, such decrease was mainly attributable to the decrease in staff costs and legal and professional fees as well as effective cost control over the operations.

LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS

The Group posted a loss before income tax from continuing operations of approximately HK\$20.9 million for the Year, as compared to approximately HK\$7.5 million for the Previous Year increased by approximately HK\$13.4 million or 179.0%, such increase was primarily due to (i) adverse business and economic conditions which led the sales decline; (ii) an impairment loss on goodwill and (iii) loss making noted in the operating entities in Hong Kong during the Year.

LOSS FOR THE YEAR

After tax expense of approximately HK\$0.1 million, the Group's loss for the year stood at approximately HK\$17.8 million for the Year as compared to a loss of approximately HK\$19.1 million in the Previous Year, representing a decrease of approximately HK\$1.3 million or 6.8%.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's net current assets of approximately HK\$106.0 million showing a strong liquidity. The liquidity ratio as at 31 December 2024, represented by a ratio of current assets over current liabilities, was 2.7 times (2023: 2.4 times), reflecting the adequacy of financial resources.

The Group expresses its gearing ratio as a percentage of total borrowings (i.e. loan from a shareholder, amounts due to a shareholder and a shareholder of a subsidiary, lease liabilities and convertible notes) over total equity. As at 31 December 2024, the gearing ratio was 7.9% (2023: 6.4%).

As at 31 December 2024, the Group recorded cash and cash equivalents of approximately HK\$81.8 million (2023: approximately HK\$122.7 million), which included approximately KRW14,979 million (equivalents to approximately HK\$78.9 million), HK\$2.7 million and small amount of United States Dollars.

The above reflected that the Group has healthy liquidity and adequate financial resources.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the Year (2023: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group's business in Korea is exposed to currency risk that mainly arose from the currency difference between our revenue receipts (which are denominated in KRW) and some of our payments for purchases (which are in US\$). In preparing the costing of our system integration project in which procurement of components in US\$ is required, we would add on a margin to the relevant cost items of the project as a cushion to safeguard against any unfavourable foreign exchange movement in KRW against US\$ between the costing date and the relevant settlement date.

Revenue and cost of our Hong Kong operation are mainly denominated in HK\$ and US\$. Hence, there is no significant currency risk arising from it.

CHARGES ON GROUP'S ASSETS

None of the Group's assets were charged as at 31 December 2024 (2023: Nil).

MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any material investments and acquisition of capital assets for the Year.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

(a) Disposal of Maximus Group

In view of the continuous loss making operations of Maximus Group, on 24 January 2024, Future Data Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, to dispose of its 64.86% equity interests in Maximus Group at a cash consideration of HK\$1,820,000 (the “**Disposal**”).

As none of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Disposal is more than 5%, the Disposal does not constitute a discloseable transaction on the part of the Company and is not subject to the reporting and announcement requirements under the GEM Listing Rules.

(b) Acquisition of a company which is principally engaged in the provision of Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)

On 17 April 2024, FD Digital Investment Holdings Limited, a direct wholly owned subsidiary of the Company, entered into a conditional acquisition agreement (the “**Acquisition Agreement**”) to acquire the entire issued capital of a company which is principally engaged in the provision of Type 9 (asset management) regulated activities under the SFO in Hong Kong (the “**Proposed Acquisition**”). The consideration of the Proposed Acquisition is HK\$3 million which shall be satisfied by the allotment and issue of the consideration shares by the Company.

As all the applicable percentage ratio for the Proposed Acquisition are less than 5% and that the consideration will be satisfied by the issue of the consideration shares of the Company, the Proposed Acquisition constitutes a share transaction of the Company and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

As disclosed in the Company's announcement dated 5 November 2024, after carefully consideration of all the circumstances of the Proposed Acquisition, the Company decided not to proceed with the Proposed Acquisition, and the parties to the Acquisition Agreement on 5 November 2024 entered into a termination agreement to terminate the Acquisition Agreement.

Please refer to the Company's announcements dated 17 April 2024, 30 April 2024, 6 May 2024 and 5 November 2024 for more details relating to the Proposed Acquisition.

Save as disclosed above, the Group had no other material acquisitions or disposals during the Year.

CONVERTIBLE NOTES UNDER GENERAL MANDATE

On 7 June 2024, the Company entered into a subscription agreement (the "**CN Subscription Agreement**") with Mr. Huang Zhenxiu (the "**Mr. Huang**"), an independent third party to the Group, pursuant to which Mr. Huang has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the one-year convertible notes (the "**Convertible Notes**") in the aggregate principal amount of HK\$2,000,000 (the "**Subscription**"). The conversion rights embedded with the Convertible Notes are exercisable into ordinary shares at the price of HK\$0.50 per ordinary Share and the Convertible Notes bear an interest at the rate of 8.00% per annum which will be due on the Convertible Notes' maturity date. Assuming all the conversion shares are converted in full at the initial conversion price of HK\$0.50, an aggregate of 4,000,000 conversion shares will be issued. Details of the terms and conditions of the CN Subscription Agreement are set out in the Company's announcement dated 7 June 2024.

On 17 June 2024, the Company, after all the conditions precedent to the completion of CN Subscription Agreement have been fulfilled, issued the Convertible Notes in the aggregate principal amount of HK\$2,000,000 to Mr. Huang. Please refer to the Company's announcements dated 17 June 2024 for more details.

USE OF PROCEEDS FROM THE ISSUE OF CONVERTIBLE NOTES

As disclosed in the Company's announcement dated 7 June 2024, the estimated net proceeds from the Subscription after deductions of expenses, will amount to approximately HK\$1.9 million and were used as follows:

	Intended use of net proceeds from 7 June 2024 to 31 December 2024 HK\$ million	Actual use of proceeds up to 31 December 2024 HK\$ million
Fund the operation and business expansion of Vantage Asset Management Limited ("VAML") after completion of the Proposed Acquisition	1.9	0.0
In the event the Proposed Acquisition does not materialized, the net proceeds will be used by the Company as the Group's general working capital ^(note)	<u>0.0</u>	<u>1.9</u>
Total	<u><u>1.9</u></u>	<u><u>1.9</u></u>

Note: The Proposed Acquisition has been terminated by the parties to the Acquisition Agreement on 5 November 2024.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2024 (2023: Nil).

CAPITAL COMMITMENT

As at 31 December 2024, the Group has outstanding capital commitments of HK\$6.0 million (2023: HK\$6.0 million) relating to acquisition of property, plant and equipment.

OTHER INFORMATION

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had an aggregate of 206 (2023: 243) employees.

The employees of the Group are remunerated according to their job scope and responsibilities. The employees are also entitled to discretionary bonus depending on their respective performance. Total employee costs, including Directors' emoluments, amounted to approximately HK\$82.5 million for the Year (2023: HK\$93.3 million).

SHARE OPTION SCHEME

The Group has adopted a share option scheme (the “**Share Option Scheme**”) by the written resolutions of the then sole shareholder of the Company passed on 21 June 2016 for the purpose of providing incentives and rewards to eligible persons who contributed to the success of the Group’s operation. On 3 April 2023, 16 May 2023, 5 October 2023 and 15 January 2024, the Company offered to grant 19,200,000 share options, 4,800,000 share options, 5,800,000 share options and 4,800,000 share options, respectively, to those grantees including certain employees and one Director under the Share Option Scheme. Further details of the above grant of share options are set out in the Company’s announcements dated 3 April 2023, 16 May 2023, 5 October 2023 and 15 January 2024 respectively.

The Share Option Scheme is valid and effective for a period of ten (10) years commencing on 21 June 2016 (being the date of adoption of the Share Option Scheme). Accordingly, the remaining life of the Scheme is approximately 1 year.

As at 1 January 2024, the total numbers of share options available for grant under the Share Option Scheme were 10,200,000; and the total numbers of share options available for grant under the Share Option Scheme were 5,400,000 as at 31 December 2024.

The number of Shares of the Company (the “**Shares**”) that may be issued in respect of the share options granted under the Share Option Scheme as at 31 December 2024 divided by the weighted average numbers of Shares in issue (excluding treasury Shares) was approximately 3.5%.

The number of share options available for grant under the existing Share Option Scheme limit is 40,000,000 Shares, representing approximately 7.32% of the Company’s issued share capital as at the date of this announcement.

As at 31 December 2024, the maximum number of Shares which may be issued upon exercise of all share options that may be granted under the existing Share Option Scheme limit is 5,400,000 Shares, representing approximately 0.98% of the Company’s issued share capital as at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s Shares during the Year.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for performing the corporate governance duties as set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance and reviewing the Company’s compliance with the code provision in the CG Code. The Company has complied with the principles and applicable code provisions of the CG Code during the Year.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its securities dealing code (“**Securities Dealing Code**”) which is no less exacting than the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Further, the Company had made specific enquiry with all Directors and each of them has confirmed he/she has complied with the Securities Dealing Code throughout the Year.

COMPETING BUSINESS

During the Year and up to the date of this announcement, the Directors are not aware of any business or interest of the Directors, controlling shareholders, the management of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person either directly or indirectly has or may have with the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is a sufficient public float of at least 25% of the Company’s issued Shares during the Year and up to the period prior to issue of this announcement under the GEM Listing Rules.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

On 14 February 2025, Prism Hong Kong Limited (“**Prism**”) was appointed as the auditor of the Company following the resignation of RSM Hong Kong with effect from 20 January 2025. For further details, please refer to the announcement of the Company dated 20 January 2025.

Save as disclosed above and as of the date of this announcement, the Board is not aware of any material events that require to be disclosed since 31 December 2024.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “**AGM**”) will be held on 10 June 2025. A notice convening the AGM will be published on the websites of the Stock Exchange and the Company in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 5 June 2025 to Tuesday, 10 June 2025 (both days inclusive, 4 business days in total) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 4 June 2025.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Prism, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Prism in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Prism on the preliminary announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Company has established the Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The principal duties of the Audit Committee are, among other things, to review the financial reporting process and internal control system of the Group, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board. The Audit Committee comprises three members namely Mr. Chan Kin Ming (Chairman), Mr. Lam Chi Cheung Albert and Mr. Leung Louis Ho Ming. All the members are independent non-executive Directors (including one independent non-executive Director who possess the appropriate professional qualifications, accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors. The Audit Committee has reviewed the results of the Group for the Year and did not have any disagreement with the Company.

By Order of the Board
Future Data Group Limited
Tao Hongxia
Chairlady and Non-executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Cheung Ting Pong and Mr. Lee Seung Han; the non-executive director of the Company is Ms. Tao Hongxia; and the independent non-executive directors of the Company are Mr. Chan Kin Ming, Mr. Lam Chi Cheung Albert and Mr. Leung Louis Ho Ming.

This announcement will remain on the “Latest Listed Company Announcements” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the website of the Company at www.futuredatagroup.com.