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Futong Technology Development Holdings Limited

富通科技發展控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 465)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of Futong Technology Development Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the six-month period ended 30 June 2025 (the "**Period**"). The condensed consolidated interim financial information has not been audited but has been reviewed by the Company's auditor and audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

		Six-month period ended 30 June	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**58,280**	66,992
Cost of sales and services		**(52,292)**	(54,379)
Gross profit		**5,988**	12,613
Other income	*6*	**2,031**	8,249
Other gains and losses, net	*7*	**(771)**	(186)
Loss allowance recognised on financial assets		**(2,825)**	(610)
Provision for impairment loss on intangible assets	*14*	**–**	(10,334)
Research and development costs		**(6,397)**	(5,417)
Selling expenses		**(18,516)**	(18,307)
Administrative expenses		**(12,151)**	(14,958)
Loss from operations		**(32,641)**	(28,950)
Finance costs	*8*	**(38)**	(69)
Loss before income tax	*9*	**(32,679)**	(29,019)
Income tax expense	*10*	**(36)**	(1,519)
Loss and total comprehensive income for the period		**(32,715)**	(30,538)
Loss and total comprehensive income for the period attributable to:			
Owners of the Company		**(32,699)**	(30,529)
Non-controlling interests		**(16)**	(9)
		(32,715)	(30,538)
		RMB	*RMB*
Loss per share			
Basic and diluted	*12*	**(0.11)**	(0.10)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*13*	**1,294**	1,777
Intangible assets	*14*	**30,279**	33,402
Right-of-use assets		**16,230**	17,626
Financial assets at fair value through profit or loss ("**FVTPL**")		**830**	842
Interest in a joint venture		**–**	–
Deferred tax assets		**4,713**	4,749
Total non-current assets		**53,346**	58,396
Current assets			
Inventories		**–**	–
Trade, bill and other receivables	*15*	**37,607**	35,704
Contract assets		**8,612**	10,422
Bank balances and cash		**175,522**	201,806
Total current assets		**221,741**	247,932
Current liabilities			
Trade and other payables	*16*	**20,018**	19,121
Contract liabilities		**37,973**	36,520
Lease liabilities		**737**	1,439
Total current liabilities		**58,728**	57,080
Net current assets		**163,013**	190,852
Total assets less current liabilities		**216,359**	249,248
Non-current liabilities			
Lease liabilities		**184**	398
NET ASSETS		**216,175**	248,850
CAPITAL AND RESERVES			
Share capital		**27,415**	27,415
Reserves		**184,201**	216,860
Equity attributable to owners of the Company		**211,616**	244,275
Non-controlling interests		**4,559**	4,575
Total equity		**216,175**	248,850

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Attributable to owners of the Company								
	Share capital *RMB'000*	**Share premium** *RMB'000*	**Merger reserve** *RMB'000*	**Share options reserve** *RMB'000*	**Statutory reserves** *RMB'000*	**Retained profit** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
At 1 January 2024 (audited)	27,415	81,538	219	3,769	81,058	120,899	314,898	4,610	319,508
Loss and total comprehensive income for the period	–	–	–	–	–	(30,529)	(30,529)	(9)	(30,538)
Recognition of equity-settled share-based payments	–	–	–	113	–	–	113	–	113
At 30 June 2024 (unaudited)	27,415	81,538	219	3,882	81,058	90,370	284,482	4,601	289,083
At 1 January 2025 (audited)	**27,415**	**81,538**	**219**	**2,908**	**81,058**	**51,137**	**244,275**	**4,575**	**248,850**
Loss and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**(32,699)**	**(32,699)**	**(16)**	**(32,715)**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**40**	**–**	**–**	**40**	**–**	**40**
At 30 June 2025 (unaudited)	**27,415**	**81,538**	**219**	**2,948**	**81,058**	**18,438**	**211,616**	**4,559**	**216,175**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(25,008)**	(30,463)
Cash flows from investing activities		
Bank interest received	**1,911**	7,907
Development costs paid	**(2,421)**	(3,661)
Purchase of property, plant and equipment	**(114)**	(297)
Net cash (used in)/generated from investing activities	**(624)**	3,949
Cash flows from financing activities		
Interest paid on lease liabilities	**(38)**	(69)
Repayments on principal portion of lease liabilities	**(909)**	(726)
Net cash used in financing activities	**(947)**	(795)
Net decrease in cash and cash equivalents	**(26,579)**	(27,309)
Cash and cash equivalents at beginning of the period	**201,806**	245,067
Effect of foreign exchange rate changes	**295**	(126)
Cash and cash equivalents at end of the period	**175,522**	217,632

1. GENERAL INFORMATION

Futong Technology Development Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands as an exempted company. The address of the Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Rooms 2406-2412, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**SEHK**").

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are mainly engaged in provision of enterprise IT infrastructure products, services and solutions, cloud computing products and intelligent digitalised application products.

The directors of the Company consider that the immediate parent and ultimate holding company of the Company is China Group Associates Limited, a company incorporated in the British Virgin Islands (the "**BVI**").

These condensed consolidated interim financial statements were authorised and approved by the board for issue on 21 August 2025.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" ("**IAS 34**") and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on the SEHK.

These condensed consolidated interim financial statements have been prepared under the historical cost except for financial assets at FVTPL, which are stated at fair value.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2024 annual financial statements, except for those that relate to the amended standards or interpretations effective for the first time for periods beginning on or after 1 January 2025. Details of any changes in IFRS Accounting Standards are set out in Note 3.

The preparation of these condensed consolidated interim financial statements in compliance with IAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. The significant judgements and estimates were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2024.

These condensed consolidated interim financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual consolidated financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards and should be read in conjunction with the 2024 consolidated financial statements.

2. BASIS OF PREPARATION *(Continued)*

These condensed consolidated interim financial statements are unaudited, but has been reviewed by BDO Limited in accordance with International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the International Auditing and Assurance Standards Board.

3. CHANGES IN IFRS ACCOUNTING STANDARDS

In the current period, the Group has applied for the first time, the following amended IFRS Accounting Standards as issued by International Accounting Standards Board ("**IASB**") that are relevant to and effective for the Group's condensed consolidated interim financial statements for the annual period beginning on 1 January 2025:

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability

The adoption of the above amendments in the current period has no material effect on the amounts reported and/or disclosures set out in these condensed consolidated interim financial statements.

The following new or amended IFRS Accounting Standards, potentially relevant to the Group's condensed consolidated interim financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] No mandatory effective date yet determined but available for adoption
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual periods beginning on or after 1 January 2027

Except as disclosed below, the directors expect that the adoption of the above new or amended IFRS Accounting Standards will have no material impact on the consolidated financial statements in the year of initial application.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 *Basis of Preparation of Financial Statements* (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027. Retrospective application is required and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

4. SEGMENT INFORMATION

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the senior executive management of the Company, the chief operating decision makers (the "**CODM**"), in order to allocate resources and to assess performance.

The CODM monitors the results of the Group's operating segment for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss.

During the six-month period ended 30 June 2025, given the Intelligent Health Management Business and the Intelligent Application Business revenue has always been less than eight percent of the Group's total revenue, the CODM reassessed the Group's business model and combined the Intelligent Health Management Business and the Intelligent Application Business under the Enterprise Management Business.

Consequently, information reported to the CODM, for the purposes of resource allocation and assessment, focus on the Enterprise Management Business, as the sole operating and reportable segment for the current period, engaging in the provision of enterprise IT infrastructure products, services and solutions, cloud computing products and intelligent digitalised application products.

Previously reported figures in respect of certain segment assets and segment liabilities as at 31 December 2024 and certain segment revenue and segment results for the six-month period ended 30 June 2024, have been restated to conform with the presentation of segmental information adopted in respect of the current period.

The Group's revenue and results are substantially derived from operations in the PRC. The following is an analysis of the Group's revenue and results by reportable and operating segment:

	Six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
		(Re-presented)
	(Unaudited)	(Unaudited)
Segment revenue from external customers	**58,280**	66,992
Segment loss	**(23,671)**	(23,109)
Unallocated income		
– Interest income	**1,911**	7,907
– Fair value gains on financial assets at FVTPL	**–**	89
Unallocated expenses		
– Depreciation of property, plant and equipment	**(289)**	(420)
– Depreciation of right-of-use assets	**(1,139)**	(1,031)
– Finance costs	**(38)**	(69)
– Corporate and other unallocated expenses	**(9,453)**	(12,386)
Loss before income tax	**(32,679)**	(29,019)

4. **SEGMENT INFORMATION** *(Continued)*

Segment assets and liabilities

The following table presents the assets and liabilities information of the Group's operating segment as at 30 June 2025 and 31 December 2024:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Re-presented)
Segment assets	**79,639**	75,761
Corporate unallocated assets	**195,448**	230,567
Consolidated assets	**275,087**	306,328
Segment liabilities	**52,770**	48,617
Corporate unallocated liabilities	**6,142**	8,861
Consolidated liabilities	**58,912**	57,478

Segment assets primarily consist of all assets excluding interest in joint venture, financial assets at FVTPL, right-of-use assets, deferred tax assets, bank balances and cash and corporate assets which are not allocated to the reportable segment.

Segment liabilities primarily consist of all liabilities excluding corporate liabilities which are not allocated to the reportable segment.

The information disclosed above represented the segments to be identified on the basis of interim reports about components of the Group that are regularly reviewed by the CODM for the purpose of assessing its performance and allocating resources to segment.

Information about geographical areas

Information about the Group's non-current assets, excluding interest in joint venture, financial assets at FVTPL and deferred tax assets, determined based on the geographical location of the assets, is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Hong Kong	**127**	735
The PRC	**47,676**	52,070
	47,803	52,805

5. REVENUE

All the Group's revenue is derived from contracts with customers for the provision of enterprise IT services and products.

Revenue is disaggregated by primary geographical markets and timing of revenue recognition as following tables.

	Six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Primary geographical markets		
Hong Kong	**404**	–
The PRC	**57,876**	66,992
	58,280	66,992
Timing of revenue recognition		
At a point in time	**28,439**	40,677
Transferred over time	**29,841**	26,315
	58,280	66,992

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

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade and bill receivables *(Note 15)*	**6,459**	11,136
Contract assets	**8,612**	10,422
Contract liabilities	**37,973**	36,520

5. **REVENUE** *(Continued)*

Contract assets primarily relate to the Group's rights to consideration for work completed but not certified the receipt by customers at the reporting date on revenue related to the provision of enterprise IT services and products. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the delivery is certified and the Group provides the invoice to customers.

Contract liabilities mainly relate to the advance consideration received from customers. Balance of RMB10,387,000 as of 1 January 2025 has been recognised as revenue for the six-month period ended 30 June 2025 from performance obligations satisfied due to the completion of services.

The Group has applied the practical expedient to its sales contracts for provision of enterprise IT services and products and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for provision of enterprise IT services and products that had an original expected duration of one year or less.

6. OTHER INCOME

	Six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**1,911**	7,907
Government grants *(Note)*	**3**	1
Others	**117**	341
	2,031	8,249

Note: These grants are unconditional and are received by the Group from relevant government bodies for the purpose of giving immediate financial support to the Group's operation.

7. OTHER GAINS AND LOSSES, NET

	Six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fair value gain on financial assets at FVTPL	**–**	89
Foreign exchange (losses)/gains, net	**(635)**	23
Recovery of trade receivables previously written off	**335**	–
Write-off of property, plant and equipment	**(136)**	–
Others	**(335)**	(298)
	(771)	(186)

8. FINANCE COSTS

	Six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**38**	69

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Staff costs:		
Salaries and allowances	**37,207**	35,685
Contributions to defined contribution retirement plans	**4,166**	4,197
Equity-settled share-based payments	**40**	113
Redundancy expense	**446**	2,320
	41,859	42,315
Less: capitalised as intangible assets	**(2,122)**	(3,522)
	39,737	38,793
Other items:		
Cost of sales and services	**46,890**	47,436
Amortisation of intangible assets *(Note)*	**5,544**	7,200
Depreciation of right-of-use assets	**1,139**	1,031
Depreciation of property, plant and equipment	**458**	608
Short-term lease expenses	**248**	186

Note: Amortisation of RMB5,402,000 (six-month period ended 30 June 2024: RMB6,943,000) and RMB142,000 (six-month period ended 30 June 2024: RMB257,000) have been included in cost of sales and services and administrative expenses respectively.

10. INCOME TAX EXPENSE

	Six-month period ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
Withholding tax on dividends received from subsidiary	**–**	(1,503)
Deferred tax		
Origination and reversal of temporary difference	**(36)**	(16)
	(36)	(1,519)

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) No Hong Kong Profits Tax has been provided as the Group had no assessable profits arising in Hong Kong during the six-month periods ended 30 June 2025 and 2024.

(iii) Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, except for two subsidiaries have been granted continuously on a three years interval with a qualification of high-tech enterprise which entitles these subsidiaries a preferential income tax rate of 15%, the tax rate of the Company's subsidiaries is 25% in the PRC from 1 January 2008 onwards.

At 30 June 2025, the Group had unused tax losses of approximately RMB495,829,000 (31 December 2024: RMB469,383,000), available to offset against future profits. No deferred tax asset has been recognised in respect of those tax losses due to the unpredictability of future profit streams.

The unrecognised tax losses related to Hong Kong subsidiaries amounted to RMB64,550,000 (31 December 2024: RMB64,312,000) can be carried forward indefinitely until utilisation and subject to the approval from Inland Revenue Department.

The unrecognised tax losses related to PRC subsidiaries amounting to RMB431,279,000 (31 December 2024: RMB405,071,000), under the EIT Law and Implementation Regulation of the EIT Law, except for two subsidiaries have been granted with a qualification of high-tech enterprise which entitles to carry forward the unrecognised tax loss for ten years, the unrecognised tax loss for the Company's subsidiaries in the PRC would expire in five years from the respective dates of incurrence.

(iv) According to the EIT Law, withholding income tax at a rate of 10% would be imposed on dividends relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such dividend tax rate may be further reduced by applicable tax treaties or arrangement. According to the arrangement between the PRC and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate on dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is reduced to 5% if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise.

11. DIVIDENDS

During the six-month period ended 30 June 2025, no final dividends in respect of the year ended 31 December 2024 was declared and paid to the owners of the Company (six-month period ended 30 June 2024: Nil).

The directors have determined that no dividends will be paid in respect of the current interim period (six-month period ended 30 June 2024: Nil).

12. LOSS PER SHARE

The calculation of basic and diluted loss per share for the six-month period ended 30 June 2025 is based on the loss for the period attributable to owners of the Company of RMB32,699,000 (six-month period ended 30 June 2024: RMB30,529,000) and the weighted average of 311,250,000 ordinary shares (six-month period ended 30 June 2024: 311,250,000 ordinary shares) in issue during the interim period.

The computation of diluted loss per share attributable to owners of the Company are the same as basic loss per share as the impact of the exercise of share options was anti-dilutive for the six-month periods ended 30 June 2025 and 30 June 2024.

13. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2025, the Group paid RMB114,000 (six-month period ended 30 June 2024: RMB297,000) for acquisition of furniture, fixtures and equipment.

14. INTANGIBLE ASSETS

	Software copyright *RMB'000*	Intellectual property rights *RMB'000*	Capitalised development costs *RMB'000* *(Note)*	Total *RMB'000*
COST				
1 January 2024 (audited)	4,716	2,832	94,622	102,170
Additions				
– Internally developed	–	–	7,503	7,503
At 31 December 2024 and 1 January 2025 (audited)	4,716	2,832	102,125	109,673
Additions				
– Internally developed	–	–	2,421	2,421
At 30 June 2025 (unaudited)	4,716	2,832	104,546	112,094
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 January 2024 (audited)	4,715	1,181	47,515	53,411
Amortisation	–	283	12,243	12,526
Impairment	–	–	10,334	10,334
At 31 December 2024 and 1 January 2025 (audited)	4,715	1,464	70,092	76,271
Amortisation	–	142	5,402	5,544
At 30 June 2025 (unaudited)	4,715	1,606	75,494	81,815
NET BOOK VALUE				
At 30 June 2025 (unaudited)	1	1,226	29,052	30,279
At 31 December 2024 (audited)	1	1,368	32,033	33,402

Note:

During the six-month period ended 30 June 2025, the Group spent RMB8,818,000 (six-month period ended 30 June 2024: RMB9,078,000) to research, develop and enhance its cloud computing management system. Total of RMB2,421,000 (six-months period ended 30 June 2024: RMB3,661,000) internally generated costs have been recognised as intangible assets in respect of cloud computing management system. The Group's development costs for the completed systems are amortised on straight-line method over its estimated useful life of 5 years.

Customer demand for the personalised integrated health management solutions had been declining. Consequently, provision for impairment of RMB10,334,000 was recognised for the Intelligent Health Management Business during the year ended 31 December 2024. No reversal or impairment was made during the six-month period ended 30 June 2025.

15. TRADE, BILL AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**17,403**	19,751
Less: loss allowance	**(10,944)**	(8,633)
	6,459	11,118
Bill receivables	**–**	18
Total trade and bill receivables	**6,459**	11,136
Prepayments	**27,936**	19,951
Deposits	**1,590**	1,112
VAT receivables	**1,270**	2,793
Other receivables	**352**	712
	37,607	35,704

The Group allows an average credit period of 30 to 90 days (31 December 2024: 30 to 90 days) to its trade customers.

Based on invoice date, the ageing analysis of trade receivables, net of loss allowance, as at the end of each reporting period is as follows.

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 30 days	**1,330**	400
31 – 60 days	**399**	–
61 – 90 days	**–**	635
More than 90 days	**4,730**	10,083
	6,459	11,118

16. TRADE AND OTHER PAYABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**14,620**	11,173
Other payables and accruals	**5,200**	7,818
Other tax payable	**198**	130
	20,018	19,121

The credit period on purchases of goods was 30 to 90 days (31 December 2024: 30 to 90 days). The following is the ageing analysis of trade payables, based on the invoice date, as of the end of reporting period:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Less than 1 month	**6,997**	1,119
1 to 3 months	**–**	1,559
More than 3 months	**7,623**	8,495
	14,620	11,173

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is one of the leading providers of enterprise digital transformation services in China. With extensive industry experience and strong research and development (R&D) and innovation capabilities, it has been able to widely adopt emerging technologies such as cloud computing, big data and artificial intelligence (AI) to provide enterprise customers with digital products, solutions and professional information technology (IT) services. As enterprise customers in China accelerate digital transformation in their operations and the IT market continuing to evolve, the Group has also actively adjusted its business development direction. During the six-month period ended 30 June 2025 (the "**Period**"), the Group reviewed its business model and combined the Intelligent Health Management Business and the Intelligent Application Business under the Enterprise Management Business, focusing on providing customers with enterprise management services including its two major products – Cloud Intelligence and Data Intelligence. During the Period, affected by geopolitical tensions between China and the United States and uncertain international trade policies, the macroeconomy was laden with challenges, and in China the IT market turned increasingly competitive, all of such led to an approximately 13% decrease in the Group's overall revenue.

Cloud Intelligence

Cloud Intelligence, which is the main income source of the Group, has been growing with good momentum over the years. Through close collaboration with leading IT companies and cloud resources providers, local and abroad, such as Baidu AI Cloud, H3C, Tencent Cloud and Alibaba Cloud, complemented by its proprietary cloud-computing products including CloudScape (雲境), CloudOne (雲樞), CloudShare (雲享), CloudObs (雲觀) and CloudAtlas (雲圖), the Group has actively provided enterprise customers with "cloud+AI" integrated platform solutions, and strived to offer customers a unified, concise and standardized autonomous multi-cloud+AI platform that not only supports the efficient management of multiple computational powers, models, data and applications, but also enables flexible integration methods and intelligent operating strategies. During the Period, despite the slowdown in China's economic growth and the intensifying competitive landscape, the Group proactively optimized its existing product portfolio and launched new products, thereby supporting revenue growth. The Group will further optimize its product portfolio and services to maintain favorable cash flow and increase profits.

Data Intelligence

Driven by emerging technologies such as AI and big data, the Group has developed a series of proprietary Data Intelligence products, including Voice of Customer (客戶之聲), IntelligenceCore Data Workshop (智核數據工坊), IntelligenceCore AI Agent Management Platform (智核智能體管理平台), among others, integrating AI technology deep into the different business scenarios of customers in various industries. The Group has undertaken comprehensive data analysis to uncover and maximize the value of data, enabling customers to fully leverage its potential and maintain a competitive edge in the era of AI-driven digital transformation. Among its different products, Futong IntelligenceCore provides an end-to-end workflow solution encompassing data governance, AI Agent building, delivery and operation, helping enterprises establish an AI capability system that can be "fast to build, stable to deliver, and sustainable to operate", thereby facilitating the efficient deployment of AI Agent across various industry scenarios. During the Period, the Group continued to strengthen the integration of technologies in its intelligent application and invested more resources in improving technologies and marketing, successfully increasing the revenue of this business. The Group will continue to provide services to more customers and actively accumulate industry expertise to lay a solid foundation for future business development.

FINANCIAL REVIEW

Revenue

For the Period, revenue of the Group decreased by approximately RMB8.7 million or 13.0% as compared with the corresponding period of 2024, to approximately RMB58.3 million (2024: approximately RMB67.0 million). The decrease was primarily due to increasingly intense competition in the mainland China information technology market, coupled with the fact that revenue from new products has yet to materialize, leading to an overall decrease in the Group's revenue.

Gross profit

Gross profit of the Group decreased by approximately RMB6.6 million or 52.5% to approximately RMB6.0 million for the Period (2024: approximately RMB12.6 million), while the gross profit ratio decreased from 18.8% to 10.3%. The decline in gross profit margin was mainly due to intense competition in the mainland China information technology market, prompting the Group to adjust prices to maintain market competitiveness.

Other income and other gains and losses, net

Other income and other gains and losses, net consist mainly of interest income from bank deposits and foreign exchange gain or loss. During the Period, net gains from other income and other gains and losses amounted to approximately RMB1.3 million (2024: approximately RMB8.1 million), representing a decrease of approximately RMB6.8 million. This decrease was mainly due to the combined effect of (i) a decrease in interest income of approximately RMB6.0 million; and (ii) the foreign exchange losses of approximately of RMB0.6 million.

Loss allowance recognised on financial assets

For the Period, the loss allowance recognised on financial assets amounted to approximately RMB2.8 million (2024: approximately RMB0.6 million), representing an increase of approximately RMB2.2 million. The increase in loss allowance recognised on financial assets was mainly due to the loss allowance recognised for the trade receivable of an aged debtor by the Group.

Research and development costs

For the Period, research and development costs of the Group amounted to approximately RMB6.4 million (2024: approximately RMB5.4 million), representing an increase of approximately RMB1.0 million or 18.1% compared with the corresponding period in 2024. The increase was mainly due to the Group's intensified investment in research and development for its data intelligence products.

Provision of impairment loss on intangible assets

For the Period, no impairment loss on intangible assets was provided (2024: approximately RMB10.3 million). The impairment loss on intangible assets for the corresponding period in 2024 was mainly due to the slowdown in China's economic growth and the reduction in customer demand for personalized comprehensive health management, and hence the related intangible assets were impaired.

Selling expenses

For the Period, selling expenses of the Group amounted to approximately RMB18.5 million (2024: approximately RMB18.3 million), representing an increase of approximately RMB0.2 million or 1.1% when compared with the corresponding period of 2024. The selling expenses were maintained at a stable level.

Administrative expenses

Administrative expenses of the Group for the Period amounted to approximately RMB12.2 million (2024: approximately RMB15.0 million), representing a decrease of approximately RMB2.8 million or 18.8% when compared with the corresponding period of 2024. The decrease in administrative expenses was mainly due to the Group's implementation of tight cost control measures during the Period, and the reduction in number of administrative staff following the consolidation of its internal resources, causing the staff costs and other related expenses to fall accordingly.

Finance costs

Finance costs represented the interest portion derived from the lease liabilities. It was maintained at a low level as limited numbers of premises were leased by the Group.

Income tax expense

Income tax expense of the Group for the Period amounted to approximately RMB0.1 million (2024: approximately RMB1.5 million), representing a decrease of approximately of RMB1.4 million. The decrease was mainly due to the China's withholding tax on dividends declared by a PRC subsidiary of the Company during the corresponding period of 2024 in respect of its retained profits, whereas no such withholding tax occurred during the Period.

Loss and total comprehensive income for the Period attributable to owners of the Company

For the Period, the loss and total comprehensive income attributable to owners of the Company amounted to approximately RMB32.7 million (2024: approximately RMB30.5 million), representing an increase of approximately RMB2.2 million as compared with the corresponding period of 2024. The increase was mainly due to the impact of the decline in overall revenue which offset the reduction in impairment losses on intangible assets.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its daily operations with internally generated cash flows. As at 30 June 2025, the Group had total assets of approximately RMB275.1 million and net assets of approximately RMB216.2 million (31 December 2024: approximately RMB306.3 million and approximately RMB248.9 million, respectively). In respect of the trade and bill receivables and contract assets of the Group amounted to approximately RMB15.1 million (31 December 2024: approximately RMB21.6 million), net of loss allowance of approximately RMB11.0 million (31 December 2024: approximately RMB8.7 million). The management will perform a regular review and implement stringent control measures on trade receivables with a view to ensuring the recovery of trade receivables on the due dates and closely monitoring the Group's liquidity. The Group's bank balances and cash amounted to approximately RMB175.5 million as at 30 June 2025 (31 December 2024: approximately RMB201.8 million). There was no bank borrowings as at 30 June 2025 and 31 December 2024. Taking into account the cash on hand and recurring cash flow from its business, the Group's financial position remained healthy and was sufficient to achieve its business objectives.

As at 30 June 2025, the cash and cash equivalents were held at RMB, USD and Hong Kong dollars.

NET DEBT-TO-CAPITAL RATIO

The Group's net debt-to-capital ratios as at 30 June 2025 and 31 December 2024 were zero. This ratio was calculated as total borrowings less bank balances and cash divided by total equity.

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in foreign currencies, i.e. currencies other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD and Hong Kong dollars.

During the Period, the Group did not enter into any hedging arrangement. The management will continue to monitor closely the Group's foreign currency exposure and requirements and arrange for hedging facilities when necessary.

INTERIM DIVIDENDS

The Board resolved not to declare any interim dividends for the Period (2024: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had in total 297 (31 December 2024: 295) employees in the PRC and Hong Kong. Total staff costs amounted to approximately RMB41.9 million (six-month period ended 30 June 2024: approximately RMB42.3 million).

The Group's employees are remunerated by reference to industry practices and performance and the experience of individual employees. Our main focus is to ensure that the Group remains competitive within the market it operates in, to ensure we attract and retain the right talent necessary to grow the business and maximise shareholders' value. We place great emphasis on the development of our people as we firmly believe they are the core of the Group. Through our ongoing training programme, we encourage them to develop their talents and to move up the organisation. We believe these efforts are mutually beneficial to the Group and its employees.

Emoluments of the Directors of the Company are decided by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and/or comparable market statistics.

The Company has share option schemes in place as an incentive to Directors and eligible employees.

PURCHASE, SALE AND REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS

The Group did not hold any material investments during the Period.

As at the date of this announcement, the Group does not have any plan for material investment or capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not make any material acquisitions or disposals of subsidiaries or affiliated companies during the Period.

IMPORTANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

The Directors are not aware of any important events affecting the Company that have occurred since the end of the Period.

OUTLOOK

Looking back at the first half of 2025, the Chinese economy faced challenges stemming from local and international macroeconomic conditions. Consumer sentiment turned increasingly cautious, while heightened market uncertainties further weighed on overall activities. Heeding those situations and to cope with market changes, the Group adjusted its business structure and integrated internal resources, allowing it to reduce operating costs, while further optimizing its proprietary services and products. Yet, despite its efforts, amid fierce market competition, the Group's overall revenue and gross profit dropped slightly.

Looking ahead to the second half of 2025, competition in China's IT market will intensify, with the market environment still full of variables and challenges. Nevertheless, the Chinese IT market is expected to continue to grow. To capture that trend, the Group will strengthen its business development in two main directions, namely the data intelligence business and the cloud intelligence business, by leveraging emerging technologies such as cloud computing, big data, and AI, to create the "AI + products + services" omni-business model, and capitalize on its shrewd industry insights and leading technology integration capabilities to assist customers in continuously improving operational efficiency and innovation.

Against the backdrop of enterprises hastening digital transformation, the Group will continue to focus on business innovation and industry development for its corporate customers. By integrating AI technology into industry application scenarios and gradually increasing investment in R&D resources, the Group aims to continue to provide corporate customers with more stable and higher-quality products and services. With years of experience in enterprise services, an extensive industry customer base, the Group will drive technological innovation and product refinement to build a full-stack AI capability system that connects computing power, data, plus models and applications. This will strengthen our end-to-end service capabilities from fundamental resources management to AI Agent delivery, fully supporting enterprises in AI capability development and deployment.

In recent years, the Group has been actively developing innovative proprietary products and intelligent applications. It has established the Genesis AI Innovation Center and assembled a specialized and pioneering research team of professors and holders of relevant doctorate degrees from renowned local and overseas universities, dedicated to improving the R&D and technological service capabilities of AI products. In the future, the Group will continue to increase its investment in R&D in a timely manner to strengthen its core competitiveness. At the same time, the Group will continue to strengthen cooperation with scientific research institutions on such areas as AI, big data, graph, communication technology and other aspects, carrying out potential applied technology research pinpointing the needs of enterprise customers, as well as promoting together transformation of scientific research results to realize maximum economic benefits.

Although the Group has successfully controlled operating costs by restructuring its business and consolidating resources, fluctuations in the global economy and uncertainties in the external environment will continue to affect the domestic market. In the future, the Group will continuously implement refined resource management solutions to ensure effective utilization of resources and improve operational efficiency. The Group will also strictly implement cost control measures to maintain a healthy financial position.

As an innovative technology enterprise, the Group is committed to advancing its core product technologies and providing products and services that can effectively address the key concerns of users. In an era of evolving digital intelligence, the Group firmly believes only by building a stable, flexible, and intelligent operational hub can enterprises effectively respond to the rapidly changing technological environment and complicated business requirements. Moving forward, Futong will continue to collaborate with customers, leveraging its centralized platform and comprehensive full-stack services to transform IT from a supporting role into a true driving force of growth. By bringing digital capabilities to the forefront, Futong aims to unlock the full business value of digital assets and enable enterprise customers to chart a clearer pathway toward intelligent transformation.

CORPORATE GOVERNANCE

During the Period, the Board considered that the Company had applied the principles of and had complied with the code provisions set out in the Corporate Governance Code as stipulated in Part 2 of Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The amendments to the Corporate Governance Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. The Company shall refer to the then effective Corporate Governance Code during the Period.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Director's securities transactions. Having made specific enquiry by the Company, all Directors have confirmed their compliance with the required standard set out in the Model Code during the Period.

REVIEW OF ACCOUNTS

The unaudited condensed consolidated interim financial statements of the Group for the Period have been reviewed by the Company's auditor, BDO Limited, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. The auditor's independent review report will be included in the 2025 interim report of the Company. The unaudited condensed consolidated interim financial statements of the Group for the Period have also been reviewed by the audit committee of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Company (www.futong.com.hk) and the Stock Exchange (www.hkexnews.hk). The 2025 interim report of the Company will be despatched to the shareholders of the Company and published on the aforementioned websites in due course.

For and on behalf of the Board
Futong Technology Development Holdings Limited
Chen Jian
Executive Director

Hong Kong, 21 August 2025

As at the date of this announcement, the executive Directors are Mr. Chen Jian and Ms. Chen Xiaoxuan; and the independent non-executive Directors are Mr. Chow Siu Lui, Mr. Lo Kwok Kwei David and Mr. Yao Yun.