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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Futong Technology Development Holdings Limited (the “**Company**”) is pleased to announce the following audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	124,561	150,546
Cost of sales and services		<u>(109,895)</u>	<u>(134,909)</u>
Gross profit		14,666	15,637
Other income	6	3,862	10,597
Other gains and losses, net	7	(1,122)	(974)
Loss allowance recognised on financial assets		(1,733)	(301)
Provision for impairment loss on intangible assets		(3,294)	(10,334)
Research and development costs		(20,241)	(16,106)
Selling expenses		(28,167)	(32,150)
Administrative expenses		<u>(27,311)</u>	<u>(35,500)</u>
Loss from operations		(63,340)	(69,131)
Finance costs	8	<u>(101)</u>	<u>(141)</u>
Loss before income tax	9	(63,441)	(69,272)
Income tax expense	10	<u>(3,148)</u>	<u>(1,596)</u>
Loss and total comprehensive income for the year		<u>(66,589)</u>	<u>(70,868)</u>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss and total comprehensive income for the year attributable to:			
Owners of the Company		(66,547)	(70,833)
Non-controlling interests		<u>(42)</u>	<u>(35)</u>
		<u>(66,589)</u>	<u>(70,868)</u>
		<i>RMB</i>	<i>RMB</i>
Loss per share			
Basic and diluted	<i>12</i>	<u>(0.21)</u>	<u>(0.23)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	1,648	1,777
Intangible assets		22,776	33,402
Right-of-use assets		18,123	17,626
Financial assets at fair value through profit or loss (“FVTPL”)		1,213	842
Interest in joint venture		—	—
Deferred tax assets		1,601	4,749
Total non-current assets		<u>45,361</u>	<u>58,396</u>
Current assets			
Inventories		—	—
Trade, bill and other receivables	14	33,633	35,704
Contract assets		11,365	10,422
Bank balances and cash		148,009	201,806
Total current assets		<u>193,007</u>	<u>247,932</u>
Current liabilities			
Trade and other payables	15	24,572	19,121
Contract liabilities		28,620	36,520
Lease liabilities		1,383	1,439
Total current liabilities		<u>54,575</u>	<u>57,080</u>
Net current assets		<u>138,432</u>	<u>190,852</u>
Total assets less current liabilities		<u>183,793</u>	<u>249,248</u>
Non-current liabilities			
Lease liabilities		1,485	398
NET ASSETS		<u><u>182,308</u></u>	<u><u>248,850</u></u>
CAPITAL AND RESERVES			
Share capital		27,415	27,415
Reserves		150,360	216,860
Equity attributable to owners of the Company		<u>177,775</u>	244,275
Non-controlling interests		<u>4,533</u>	4,575
TOTAL EQUITY		<u><u>182,308</u></u>	<u><u>248,850</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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 Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in provision of enterprise IT infrastructure products, services and solutions, cloud computing products and intelligent digitalised application products. There were no significant changes in the business during the year.

As at 31 December 2025, the Company’s immediate and ultimate parent is China Group Associates Limited which was incorporated in the British Virgin Islands (the “**BVI**”). Its ultimate controlling party is Mr. Chen Jian, who is also the chairman and executive director of the Company.

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

2.1 Adoption of amended IFRS Accounting Standards – effective from 1 January 2025

In the current year, 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 consolidated 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 amended IFRS Accounting Standards that are effective from 1 January 2025 did not have a material impact on the Group’s financial performance for the current and prior year and/or on the disclosures set out on these consolidated financial statements.

2.2 New or amended IFRS Accounting Standards that have been issued but are not yet effective

The following new or amended IFRS Accounting Standards, potentially relevant to the Group's consolidated 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
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²
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 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 the accordance with IFRS 18.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK (the “**Listing Rules**”).

The consolidated financial statements have been prepared under historical cost except for financial assets at FVTPL, which are stated at fair value, at the end of reporting period.

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 result 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 year ended 31 December 2025, given the Intelligent Health Management Business and the Intelligent Application Business revenue has always been less than three 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 year, 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 year ended 31 December 2024, have been restated to conform with the presentation of segmental information adopted in respect of the current year.

Segment revenue and results

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 result by reportable and operating segment.

	2025 RMB’000	2024 RMB’000 (Re-presented)
Segment revenue from external customers	124,561	150,546
Segment loss	(35,693)	(49,799)
Unallocated income	3,736	10,655
Unallocated expenses	(31,484)	(30,128)
Loss before income tax	<u>(63,441)</u>	<u>(69,272)</u>

Other segment information is as follows:

	Enterprise Management Business RMB'000	Corporate/ Unallocated RMB'000	Total RMB'000
Year ended 31 December 2025			
Interest income	—	3,340	3,340
Depreciation of property, plant and equipment	(484)	(243)	(727)
Amortisation of intangible assets	(11,794)	—	(11,794)
Depreciation of right-of-use assets	(581)	(1,238)	(1,819)
Loss allowance recognised on financial assets	(1,233)	(500)	(1,733)
Provision for impairment loss on intangible assets	(3,294)	—	(3,294)
	Enterprise Management Business RMB'000 (Re-presented)	Corporate/ Unallocated RMB'000	Total RMB'000
Year ended 31 December 2024			
Interest income	—	10,466	10,466
Depreciation of property, plant and equipment	(280)	(827)	(1,107)
Amortisation of intangible assets	(12,526)	—	(12,526)
Depreciation of right-of-use assets	—	(2,272)	(2,272)
Loss allowance recognised on financial assets	(301)	—	(301)
Provision for impairment loss on intangible assets	(10,334)	—	(10,334)

Segment assets and liabilities

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

	31 December 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i> (Re-presented)
Segment assets	66,993	75,761
Corporate unallocated assets	171,375	230,567
Consolidated assets	238,368	306,328
Segment liabilities	43,056	48,617
Corporate unallocated liabilities	13,004	8,861
Consolidated liabilities	56,060	57,478

Segment assets primarily consist of all assets excluding interest in joint venture, financial assets at FVTPL, 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.

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Hong Kong	2,619	735
The PRC	39,928	52,070
	42,547	52,805

Information about major customer

Revenue from customer contributing 10% or more of the Group's total revenue for the years ended 31 December 2025 and 2024 is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	64,038	82,599

5. REVENUE

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 market, and timing of revenue recognition is shown as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Primary geographical market:		
Hong Kong	404	—
The PRC	124,157	150,546
	<u>124,561</u>	<u>150,546</u>
Timing of revenue recognition:		
At a point in time	75,254	81,867
Transferred over time	49,307	68,679
	<u>124,561</u>	<u>150,546</u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade and bill receivables (<i>Note 14</i>)	14,682	11,136
Contract assets	11,365	10,422
Contract liabilities	28,620	36,520

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 RMB17,983,000 as of 1 January 2025 has been recognised as revenue during the year from performance obligations satisfied due to the completion of services.

The Group 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 had an original expected duration of one year or less.

6. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	3,340	10,466
Government grants (<i>Note</i>)	7	58
Recovery of previously witten-off receivable	515	—
Others	—	73
	<u>3,862</u>	<u>10,597</u>

Note:

During the year ended 31 December 2025, government grants of RMB7,000 (2024: RMB58,000) are unconditional and received by the Group from relevant government bodies in the PRC for the purpose of giving immediate financial support to the Group's operation.

7. OTHER GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss on disposals of property, plant and equipment	(137)	(573)
Foreign exchange (losses)/gains, net	(992)	4
Fair value gains on financial assets at FVTPL	396	185
Others	(389)	(590)
	<u>(1,122)</u>	<u>(974)</u>

8. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	<u>101</u>	<u>141</u>

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Auditor's remuneration:		
— Audit service	1,500	1,500
— Non-audit service	207	207
Amortisation of intangible assets (<i>Note (i)</i>)	11,794	12,526
Cost of sales and services	99,017	122,666
Depreciation of property, plant and equipment	727	1,107
Depreciation of right-of-use assets	1,819	2,272
Interest on lease liabilities	101	141
Short-term lease expenses	692	643
Staff cost (including directors' emoluments)		
— Salaries and wages	75,603	76,616
— Contributions to retirement benefit schemes (<i>Note (ii)</i>):	8,577	8,528
— Equity-settled share-based payments	47	210
— Redundancy expenses	2,309	6,705
	<u>86,536</u>	<u>92,059</u>
Less: capitalised as intangible assets	<u>(4,456)</u>	<u>(7,055)</u>
	<u><u>82,080</u></u>	<u><u>85,004</u></u>

Notes:

- (i) Amortisation charges of RMB10,879,000 (2024: RMB12,243,000) and RMB915,000 (2024: RMB283,000) have included in cost of sales and services and administrative expenses respectively for the year ended 31 December 2025.
- (ii) The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. These subsidiaries are required to contribute certain percentage of payroll costs according to the relevant local authorities to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% (2024: 5%) of relevant payroll costs (subject to a cap) to the scheme, which contribution is matched by employees.

Under the state-managed retirement benefit scheme in the PRC and the Mandatory Provident Fund Scheme in Hong Kong, the Group's employer contributions vest fully with the employees when contributed and no contribution may be forfeited and used by the Group as the employer to reduce the existing level of contributions.

Total cost charged to profit or loss of RMB8,577,000 (2024: RMB8,528,000) represents contributions payable to these schemes by the Group in respect of the year ended 31 December 2025.

10. INCOME TAX EXPENSE

Income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Withholding tax on dividends received from subsidiary	—	1,500
Deferred tax		
Origination and reversal of temporary difference	3,148	96
	<u>3,148</u>	<u>1,596</u>

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 years ended 31 December 2025 and 2024.
- (iii) Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate for the Company’s subsidiaries in the PRC is 25% for the year ended 31 December 2025, except for one (FY2024: two) subsidiary has been granted continuously on a three years interval with a qualification of high-tech enterprise which entitles it to a preferential income tax rate of 15%.

11. DIVIDENDS

For the years ended 31 December 2025 and 2024, the directors do not recommend the payment of a final dividend.

12. LOSS PER SHARE

Calculation of the basic and diluted loss per share is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the purpose of basic and diluted loss per share	<u>66,547</u>	<u>70,833</u>
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>311,250</u>	<u>311,250</u>

Basic loss per share

The basic loss per share for the years ended 31 December 2025 and 2024 has been computed by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the years ended 31 December 2025 and 2024.

Diluted loss per share

The diluted loss per share for both years ended 31 December 2025 and 2024 were the same as the basic loss per share as the Company has no dilutive potential ordinary shares outstanding during both years. The outstanding share options had antidilutive effect on the basic loss per share presented.

13. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2025, the Group spent approximately RMB773,000 (2024: RMB297,000) to acquire leasehold improvements and furniture, fixtures and equipment.

14. TRADE, BILL AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	24,503	19,751
Less: loss allowance	<u>(9,821)</u>	<u>(8,633)</u>
	14,682	11,118
Bill receivables	<u>—</u>	<u>18</u>
Total trade and bill receivable	14,682	11,136
Prepayments	16,341	19,951
Deposits	1,133	1,112
VAT receivables	1,217	2,793
Other receivables	<u>260</u>	<u>712</u>
	<u>33,633</u>	<u>35,704</u>

The Group allows credit period of 30 to 90 days (2024: 30 to 90 days) to its trade customers. For certain major customers such as the state owned enterprises, the credit term which will be negotiated by management individually.

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0-30 days	2,678	400
31-60 days	211	—
61-90 days	189	635
More than 90 days	<u>11,604</u>	<u>10,083</u>
Total	<u>14,682</u>	<u>11,118</u>

Ageing of trade receivables, net of loss allowance, based on past due date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Not yet past due	1,292	546
1 to 3 months past due	5,217	—
More than 3 months past due	<u>8,173</u>	<u>10,572</u>
Total	<u>14,682</u>	<u>11,118</u>

Trade receivables of RMB13,390,000 (2024: RMB10,572,000) were past due but not yet been impaired at 31 December 2025. For remaining amounts not impaired were related to a large number of diversified customers whom had a good track record with the Group. Based on past experience, management believed that there had been no significant change in credit quality and the balances were still considered fully recoverable. The Group does not hold any collaterals or other credit enhancements over these balances.

The below table reconciles the loss allowance on trade receivables for the year:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	8,633	50,640
Loss allowance recognised	1,230	198
Uncollectible amounts written off	—	(42,270)
Exchange alignment	(42)	65
	<hr/>	<hr/>
At end of year	<u>9,821</u>	<u>8,633</u>

15. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	14,620	11,173
Other payables and accruals	9,772	7,818
Other tax payables	180	130
	<hr/>	<hr/>
	<u>24,572</u>	<u>19,121</u>

All of the above balances are expected to be settled within one year.

Included in trade payables are trade creditors with the following ageing analysis, based on invoice date at the end of reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current or less than 1 month	5,625	1,119
1 to 3 months	167	1,559
More than 3 months	8,828	8,495
	<hr/>	<hr/>
	<u>14,620</u>	<u>11,173</u>

The average credit period on purchases of goods was 30 to 90 days (2024: 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the acceptable timeframe.

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, focusing on providing customers with enterprise management services through its two major product offerings – Cloud Intelligence and Data Intelligence. For the year ended 31 December 2025 (the “Year”), amid persistent geopolitical tensions between China and the United States and heightened uncertainty surrounding international trade policies, the global macroeconomic environment was fraught with challenges. This, together with intensified competition in China’s IT market, led to an approximately 17% 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 Year, despite the slowdown in China’s economic growth and an increasingly competitive market, the Group proactively optimized its existing product line and launched new products, further advancing its product portfolio and services optimization strategies in order to sustain healthy cash flow and enhance profitability.

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 data analysis to uncover 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 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 Year,

the Group continued to strengthen the integration of technologies in its intelligent application and invested more resources in improving technologies and marketing, driving further revenue growth in this business segment. 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 Year, revenue of the Group decreased by approximately RMB25.9 million or 17.3% as compared with the corresponding period in 2024, to approximately RMB124.6 million (2024: approximately RMB150.5 million). The decrease was primarily due to increasingly intense competition in the mainland China information technology market, coupled with the Group's strategic reduction in the sales of traditional low profit margin products, leading to an overall decrease in the Group's revenue.

Gross profit

Gross profit of the Group decreased by approximately RMB0.9 million or 6.2% to approximately RMB14.7 million for the Year (2024: approximately RMB15.6 million) while the gross profit ratio increased from 10.4% to 11.8%. The gross profit ratio remained at a stable level.

Other income and other gains and losses, net

Other income and other gains and losses, net consist mainly of interest income from bank deposits, foreign exchange gain or loss and government grants. For the Year, net gains from other income and other gains and losses amounted to approximately RMB2.7 million (2024: approximately RMB9.6 million), representing an decrease of approximately RMB6.9 million. This decrease was mainly due to combined effect of (i) an decrease in interest income of approximately RMB7.1 million and (ii) the increase in foreign exchange losses of approximately RMB1.0 million.

Loss allowance recognised on financial assets

For the Year, the loss allowance recognised on financial assets amounted to approximately RMB1.7 million (2024: approximately RMB0.3 million), representing an increase of approximately RMB1.4 million. The increase in loss allowance recognised on financial assets was mainly due to the loss allowance recognised for the trade receivables of the aged debtors by the Group.

Research and development costs

For the Year, research and development costs of the Group amounted to approximately RMB20.2 million (2024: approximately RMB16.1 million), representing an increase of approximately RMB4.1 million or 25.7% 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 Year, the provision of impairment loss on intangible assets amounted to approximately RMB3.3 million (2024: approximately RMB10.3 million). The impairment loss on intangible assets for the Year was recognised based on the recoverable amounts as compared to the carrying amounts.

Selling expenses

For the Year, selling expenses of the Group amounted to approximately RMB28.2 million (2024: approximately RMB32.2 million), representing a decrease of approximately RMB4.0 million or 12.4% compared with the corresponding period in 2024. The decrease was mainly due to the continuing adjustments of business structure, which optimised staff and other related expenses.

Administrative expenses

Administrative expenses of the Group for the Year amounted to approximately RMB27.3 million (2024: approximately RMB35.5 million), representing a decrease of approximately RMB8.2 million or 23.1% compared with the corresponding period in 2024. The decrease in administrative expenses was mainly due to the Group's implementation of tight cost control measures during the Year, and the reduction in number of administrative staff following the consolidation of its internal resources, causing the corresponding decrease in staff costs and other related expenses.

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 Year amounted to approximately RMB3.1 million (2024: approximately RMB1.6 million), representing an increase of approximately RMB1.5 million, compared with the corresponding period in 2024. The increase was mainly due to the decrease in deferred tax assets of approximately RMB3.1 million.

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

For the Year, the loss and total comprehensive income attributable to owners of the Company was approximately RMB66.5 million (2024: approximately RMB70.8 million), representing a decrease of approximately RMB4.3 million as compared with the corresponding period in 2024. The decrease was mainly due to the Group's significant reduction in operating costs through the integration of internal resources, resulting in a decrease in the loss attributable to owners of the Company.

Liquidity and Financial Resources

The Group generally finances its daily operations from internally generated cash flows and banking facilities. As at 31 December 2025, the Group had total assets of approximately RMB238.4 million and net assets of approximately RMB182.3 million (2024: approximately RMB306.3 million and approximately RMB248.9 million, respectively). In respect of the trade receivables and contract assets of the Group which amounted to approximately RMB26.0 million (2024: approximately RMB21.6 million), net of allowance for doubtful debts of approximately RMB9.9 million (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 RMB148.0 million as at 31 December 2025 (2024: approximately RMB201.8 million). There was no bank borrowings as at 31 December 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 31 December 2025, the cash and cash equivalents were held at Renminbi ("RMB"), United States dollars ("USD") and Hong Kong dollars.

Net Debt-To-Capital Ratio

The Group's net debt-to-capital ratio as at 31 December 2025 and 31 December 2024 was 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 Year, the Group did not enter into any hedging arrangement. The management will continue to monitor closely its foreign currency exposure and requirements and to arrange hedging facilities when necessary.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed during the following periods:

To determine the identity of shareholders who are entitled to attend and vote at the 2026 AGM

Latest time for lodging transfers:	4:30 p.m. on Friday, 15 May 2026
Closure of register of members:	Monday, 18 May 2026 to Thursday, 21 May 2026 (both dates inclusive)
Record date:	Thursday, 21 May 2026
Date of 2026 AGM:	Thursday, 21 May 2026

In order to be eligible for attending and voting at the 2026 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar, Tricor Investor Services Limited, at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the latest time for lodging transfers as stated above.

ANNUAL GENERAL MEETING

The 2026 AGM of the Company will be held on Thursday, 21 May 2026. Notice of 2026 AGM will be published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company and despatched to the shareholders of the Company in due course.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 247 (2024: 295) employees in the PRC and Hong Kong. Total staff costs amounted to approximately RMB86.5 million (2024: approximately RMB92.1 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, and 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.

PURCHASE, SALE AND REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year. The Company did not hold any treasury share during the Year.

IMPORTANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

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

OUTLOOK

Looking back at 2025, the Chinese economy faced challenges stemming from local and international macroeconomic condition, including U.S. tariff policies, weak domestic consumer demand, and rising uncertainty in the market environment. 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 dropped slightly.

Looking ahead to 2026, amid rising global protectionism and the continued trend of economic fragmentation, China's economic growth is expected to moderate. At the same time, competition in the IT market will become increasingly fierce, with ongoing involution expected to persist, leaving the market environment increasingly uncertain and challenging. Nevertheless, China's IT market is expected to continue to grow, especially in areas such as AI, cloud computing and big data. As a leading provider of AI-driven industrial upgrading solutions in China, the Group will strengthen its product development in two main directions, namely the data intelligence products and the cloud intelligence products, by leveraging emerging technologies such as cloud computing, big data, and AI, to create the "AI + products + services" omni-business model to help its customers embrace digital transformation.

In this era of widespread AI adoption, enterprises are accelerating their digital transformation. Guided by the core philosophy of "AI × Industry × Scenario", the Group will continue to provide end-to-end AI solutions spanning intelligent computing operations, data governance, model application, and intelligent agent deployment to help customers accelerate the implementation of AI. Meanwhile, amid increasingly complex digital governance and intelligent operations demands, the Group is gradually increasing its investment in R&D resources, aiming to continuously provide customers with more stable and higher-quality products and services.

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. As a key platform for the Group's future AI strategy, the Genesis AI Innovation Center is committed to implementing cutting-edge AI technologies in industry applications. Leveraging the AI innovation labs in Beijing and Chengdu and nearly 30 years of deep industry experience in healthcare, transportation, finance, and manufacturing, the Group has built knowledge graphs with industry insights and proprietary model capabilities to support scalable AI deployment in enterprise scenarios.

In addition, the Group will actively explore overseas markets and strengthen cooperation with international partners. It will fully leverage its full-stack AI capabilities, deeply integrating into key areas such as data platforms and industrial ecosystem clusters, thereby providing AI-enabled services tailored to real-world business scenarios for enterprises seeking international expansion.

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 coming years, 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.

In the rapidly evolving AI landscape, the Group, as an innovative technology enterprise, remains committed to advancing its core product technologies and providing products and services that can effectively address the key concerns of users, in order to gain competitive advantages in this complex market environment. Looking ahead, the Group will continue to accelerate business innovation and transformation, attract top notch high-tech talent, consolidate the transformation of scientific research results and business foundation, strengthen technological and product innovation capabilities, and enhance customers' digital and intelligent capabilities, thereby empowering more customers to achieve a paradigm shift from "digitalization" to "cognitive intelligence".

CORPORATE GOVERNANCE

During the Year, 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 in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as standard for dealings in securities of the Company by the Directors. Having made specific enquiry of all Directors by the Company, during the Year, the Directors have confirmed in writing that they complied with the standards set out in the Model Code.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the Year including the accounting principles and practices adopted by the Group, and discussed the risk managements, internal control and financial reporting matters during the review.

SCOPE OF WORK PERFORMED BY AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

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

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

Hong Kong, 25 March 2026

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.