



# 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



**2025**  
**ANNUAL REPORT**

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND THE “GEM”, RESPECTIVELY)**

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this annual report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this annual report.

This annual report, for which the directors of Future Data Group Limited (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (“**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this annual report 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 annual report misleading.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS (THE "BOARD")

### Executive Directors

Ms. Tuen Hei Ching  
*(appointed as Executive Director on 11 June 2025)*

Mr. Cheung Ting Pong  
*(resigned as Executive Director, the Vice Chairman of the Board and the Chief Executive Officer on 11 June 2025)*

Mr. Lee Seung Han

### Non-executive Director

Ms. Tao Hongxia *(Chairlady of the Board)*

### Independent Non-executive Directors

Mr. Chan Kin Ming  
Mr. Lam Chi Cheung Albert  
Mr. Leung Louis Ho Ming

## BOARD COMMITTEES

### Audit Committee

Mr. Chan Kin Ming *(Chairman)*  
Mr. Lam Chi Cheung Albert  
Mr. Leung Louis Ho Ming

### Remuneration Committee

Mr. Lam Chi Cheung Albert *(Chairman)*  
Ms. Tuen Hei Ching  
*(appointed on 11 June 2025)*  
Mr. Chan Kin Ming  
Mr. Cheung Ting Pong  
*(resigned on 11 June 2025)*

### Nomination Committee

Mr. Leung Louis Ho Ming *(Chairman)*  
Ms. Tuen Hei Ching  
*(appointed on 11 June 2025)*  
Mr. Lam Chi Cheung Albert  
Mr. Chan Kin Ming  
Mr. Cheung Ting Pong  
*(resigned on 11 June 2025)*

### COMPLIANCE OFFICER

Mr. Lee Seung Han

### JOINT COMPANY SECRETARIES

Ms. Cheung Yuet Fan  
Mr. Pang Kai Cheong  
*(resigned on 30 April 2025)*

### AUTHORISED REPRESENTATIVES

Ms. Tuen Hei Ching  
*(appointed on 11 June 2025)*  
Mr. Cheung Ting Pong  
*(resigned on 11 June 2025)*  
Ms. Cheung Yuet Fan

### AUDITOR

Prism Hong Kong Limited  
Certified Public Accountants  
(Registered Public Interest Entity Auditor)  
Units 1903–1905, 19/F  
8 Observatory Road, Tsim Sha Tsui  
Hong Kong

## **CORPORATE INFORMATION**

### **LEGAL ADVISERS TO OUR COMPANY**

As to Hong Kong law:  
Yick & Chan, Solicitors  
Suite A1, 11<sup>th</sup> Floor  
One Capital Place  
18 Luard Road  
Wanchai, Hong Kong

As to Korean law:  
Shin & Kim  
Attorneys-at-law, Korea  
23/F, D-Tower (D2)  
17 Jongno 3-gil  
Jongno-gu  
Seoul 03155  
Korea

### **REGISTERED OFFICE IN THE CAYMAN ISLANDS**

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

### **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Room 1703, 17/F  
Office Tower, Convention Plaza  
No. 1 Harbour Road  
Wan Chai, Hong Kong

### **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN KOREA**

Units A1304–1310, 13 Floor  
150 Yeongdeungpo-ro  
Yeongdeungpo-gu  
Seoul  
Korea

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### **PRINCIPAL BANK**

Woori Bank  
51, Sogong-ro  
Jung-gu  
Seoul, 04632  
Korea

### **COMPANY WEBSITE**

[www.futuredatagroup.com](http://www.futuredatagroup.com)

### **STOCK CODE**

8229

### **PLACE OF LISTING**

GEM of The Stock Exchange

# CHAIRLADY'S STATEMENT

To the Shareholders,

I hereby represent the board of directors to present to the shareholders of Future Data Group Limited (the "Company") an overview of the annual results and operations of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2025 (the "Year").

During the Year, the global economic recovery continued to slow down. Geopolitical conflicts, policy shifts in major economies, rising trade protectionism, as well as inflationary and high-interest-rate environments collectively formed a challenging business landscape. In South Korea, the Group's core market, although showing mild signs of recovery, volatile demand in the semiconductor industry, intensified competition in the system integration sector, persistent pressure on contract pricing, coupled with exchange rate fluctuations and prolonged project cycles, exerted significant pressure on the Group's overall operating performance.

In the Hong Kong market, despite the HKSAR Government's strong promotion of the low-altitude economy, digital economy and new-type industrialisation, which underpin positive long-term industry prospects, short-term market demand recovery fell short of expectations, and tightened budgets in both public and private sectors also constrained business growth.

## 1. REVIEW OF FINANCIAL PERFORMANCE

For the Year, the Group's revenue from continuing operations was approximately HK\$414.1 million, representing a decrease of approximately HK\$23.5 million or 5.4% as compared with approximately HK\$437.6 million in 2024. This was mainly attributable to slower demand in South Korea and Hong Kong markets and fewer projects in the private sector.

- Gross profit amounted to approximately HK\$34.3 million, representing a year-on-year decrease of 21.7%; gross margin further declined from 10.0% to 8.3%, mainly due to intensified industry competition and compressed project profit margins.
- Selling and administrative expenses continued to be optimised. However, affected by project implementation, provision for trade receivables and operational adjustments, the Group recorded a loss of approximately HK\$39.7 million for the Year, wider than the loss of approximately HK\$18.7 million in the previous year.
- Loss attributable to owners of the Company was approximately HK\$39.7 million, with basic and diluted loss per share of 7.15 Hong Kong cents (2024: 3.01 Hong Kong cents).

In terms of financial stability, as at 31 December 2025, the Group's cash and cash equivalents were approximately HK\$77.1 million, and net current assets remained at approximately HK\$79.5 million. The overall liquidity remained at a sound level, providing financial buffer against short-term volatilities.

## 2. KEY OPERATIONAL INITIATIVES DURING THE YEAR

Faced with a severe environment, the Group adhered to the principles of prudent operation, risk priority and focus on core businesses, and implemented various optimisation measures:

### 1. Reorganisation of non-core assets to improve financial structure

During the Year, the Group completed the disposal of subsidiaries, further focused on core businesses including system integration, cybersecurity, cloud services and data solutions, and reduced the drag of loss-making businesses on the Group's overall performance.

### 2. Strengthened cost and operational control

The Group continued to reduce non-essential expenditures, optimise staffing and project management processes, enhance delivery efficiency, and strictly control project risks and trade receivables turnover.

### 3. Deployment in emerging growth sectors

Seizing policy opportunities arising from Hong Kong's development of emerging sectors including low-altitude economy, artificial intelligence, Internet of Things and big data, the Group signed several strategic cooperation memorandums with partners during the Year to reserve momentum for medium-to-long-term business transformation and incremental expansion.

### 4. Optimisation of customer and industry mix

While consolidating orders in South Korea's advantageous sectors including public sector, finance and national defence, the Group increased investment in high-growth niche segments in Hong Kong and other parts of Asia to reduce reliance on a single market.

### 3. MARKET OUTLOOK AND FUTURE STRATEGIES

Looking ahead to 2026, the global economy will remain in a period of adjustment. Factors such as policy uncertainties, industry competition, and interest rate and exchange rate volatilities will continue to affect the operating environment. However, in the long run, the global digital transformation is irreversible. Steadily rising demand for digital infrastructure related to artificial intelligence, Internet of Things, big data, cybersecurity and low-altitude economy will provide solid support for the industry.

The Group will adhere to the following development directions to steadily advance high-quality and sustainable development:

#### 1. Focus on core technological strengths

Consolidate core capabilities in system integration, cloud services, cybersecurity and data solutions to enhance project quality and profit margins.

#### 2. Expand emerging growth drivers

Accelerate deployment in high-potential sectors including digital solutions supporting low-altitude economy, applications of artificial intelligence and big data, and cross-border data services to foster new business growth engines.

#### 3. Continuous optimisation of financial and risk management

Strictly control costs, improve cash flow, enhance receivables management efficiency, and maintain a sound financial structure and sufficient liquidity.

#### 4. Promote regional market diversification

While consolidating its foundation in South Korea, the Group will deepen its presence in the Hong Kong market and selectively explore emerging Asian markets including Southeast Asia to diversify regional risks.

#### 5. Innovation driven by talents and technology

Improve incentive mechanisms to attract and retain core technical and management talents, continuously invest in research and development, and enhance technological barriers and service differentiation advantages.

## CHAIRLADY'S STATEMENT

### 4. ACKNOWLEDGEMENTS

On behalf of the board of directors, I would like to express my sincere gratitude to all shareholders for their long-term trust and support, to the management team and all staff for their dedication and hard work in a challenging environment, and to customers, partners and other relevant parties for their full collaboration.

The Group will continue to respond to external changes in a steady, flexible and pragmatic manner, adhere to a long-term mindset, and strive to promote business transformation and value enhancement, with the aim of delivering sustainable returns to all shareholders.

Tao Hongxia  
*Chairlady and Non-executive Director*

27 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

In 2025, the global economy softened amid geopolitical uncertainties and monetary policy shifts, leading to restrained corporate IT spending across the digital infrastructure and system integration sectors. Against this backdrop and weaker local technology expenditure in South Korea, the Group recorded a net loss from continuing operations of HK\$39,677,000 (2024: HK\$21,045,000). The result reflected softer near-term service demand, higher impairment losses amid slower digital transformation.

Nonetheless, the long-term industry outlook remains encouraging, supported by the irreversible digitalization trend worldwide and the growing adoption of Artificial Intelligence, Internet of Things and big data technologies. The Group maintained healthy liquidity through increased fixed bank deposits. While net assets declined due to the operating loss, the Group has improved efficiency to capture future demand rebounds as market conditions recover.

The continuing operations comprise (i) integration of systems with network connectivity, cloud computing and security elements; and (ii) maintenance services. 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:

	HK\$'000
Opening backlog as at 1 January 2025	150,137
New booking during the Year	404,424
Revenue recognised during the Year	(408,614)
Closing backlog as at 31 December 2025	145,947

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

The financial performance from the continuing operations and discontinued operations are summarized below:

### STATEMENT OF PROFIT OR LOSS ANALYSIS

For the year ended 31 December

	2025	2024	Change	Change
	HK\$'000	HK\$'000	HK\$'000	%
<b>Continuing operations</b>				
Revenue	414,144	437,639	(23,495)	(5.4%)
Cost of services	(379,833)	(393,819)	13,986	(3.6%)
Gross profit	34,311	43,820	(9,509)	(21.7%)
Other income, net	231	2,349	(2,118)	(90.2%)
Provision for impairment of trade receivables, net	(8,108)	(338)	(7,770)	2,298.8%
Impairment of goodwill	(6,308)	(6,741)	433	(6.4%)
Selling and administrative expenses	(59,330)	(59,568)	238	(0.4%)
Finance costs	(701)	(449)	(252)	56.1%
Loss before income tax from continuing operations	(39,905)	(20,927)	(18,978)	90.7%
Income tax credit/(expense)	228	(118)	346	(293.2%)
Loss for the year from continuing operations	(39,677)	(21,045)	(18,632)	88.5%
<b>Discontinued operation</b>				
Profit for the year from discontinued operation	–	3,252	(3,252)	(100.0%)
Loss for the year	(39,677)	(17,793)	(21,884)	123.0%

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVENUE

The Group recorded a decrease in revenue from continuing operations by approximately HK\$23.5 million or 5.4%, from approximately HK\$437.6 million for the year of 2024 to approximately HK\$414.1 million for the Year.

South Korea and Hong Kong operations were declining during the Year. Business in South Korea contributed approximately HK\$408.6 million in revenue for the Year, dropping by approximately HK\$17.9 million or 4.2% compared to approximately HK\$426.5 million in the Previous Year. Business in Hong Kong contributed approximately HK\$5.5 million in revenue for the Year which was approximately HK\$5.6 million or 50.5% lower when compared to approximately HK\$11.1 million in the Previous Year, such decline was primarily due to adverse business and economic conditions.

Revenue from system integration, maintenance services and other services were approximately HK\$219.9 million, HK\$188.7 million, HK\$5.5 million respectively, which accounted for 53.1%, 45.6%, 1.3% respectively, of the Group's revenue for the Year (2024: 62.6%, 34.4% and 3.0%, respectively).

The public sector contributed approximately HK\$331.5 million in revenue for the Year, which increased by approximately HK\$34.0 million or 11.4%, compared with the Previous Year; while private sector contributed approximately HK\$82.6 million in revenue for the Year, which decreased by approximately HK\$60.0 million or 42.1% 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\$9.5 million or 21.7% from approximately HK\$43.8 million for the Previous Year to approximately HK\$34.3 million for the Year. In terms of gross profit margin, the margin was decreased by 1.7% to 8.3% 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **OTHER INCOME, NET**

Other income, net from continuing operations of approximately HK\$0.23 million for the Year, the amount for the Year mainly represented by interest income and exchange gain.

### **SELLING AND ADMINISTRATIVE EXPENSES**

The Group posted a selling and administrative expenses from continuing operations of approximately HK\$59.3 million for the Year, a decrease of approximately HK\$0.24 million or 0.4% compared to the amount of approximately HK\$59.6 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\$39.9 million for the Year, as compared to approximately HK\$20.9 million for the Previous Year increased by approximately HK\$19.0 million or 90.9%, such increase was primarily due to (i) adverse business and economic conditions which led the sales decline; and (ii) an impairment loss on trade receivables.

### **LOSS FOR THE YEAR**

After tax credit of approximately HK\$0.2 million, the Group's loss for the Year stood at approximately HK\$39.7 million for the Year as compared to a loss of approximately HK\$17.8 million in the Previous Year, representing an increase of approximately HK\$21.9 million or 123.0%.

## MANAGEMENT DISCUSSION AND ANALYSIS

### STATEMENT OF FINANCIAL POSITION ANALYSIS

As at 31 December

	2025 HK\$'000	2024 HK\$'000	Change HK\$'000	Change %
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Property, plant and equipment	25,379	25,279	100	0.4%
Intangible assets	6,131	8,361	(2,230)	(26.7%)
Goodwill	2,917	9,225	(6,308)	(68.4%)
Other financial assets	4,256	3,945	311	7.9%
Rental and other deposits	521	386	135	35.0%
Prepayments	5	21	(16)	(76.2%)
Defined benefit assets	475	232	243	104.7%
Deferred tax assets	5,525	4,567	958	21.0%
	45,209	52,016	(6,807)	(13.1%)
<b>Current assets</b>				
Inventories	1,277	476	801	168.3%
Trade and bills receivables and other receivables	69,019	61,568	7,451	12.1%
Contract assets	3,813	1,347	2,466	183.1%
Prepayments	343	451	(108)	(23.9%)
Tax recoverable	202	182	20	11.0%
Fixed bank deposits	52,449	22,982	29,467	128.2%
Cash and cash equivalents	77,136	81,807	(4,671)	(5.7%)
	204,239	168,813	35,426	21.0%
<b>Current liabilities</b>				
Trade and other payables	103,985	57,263	46,722	81.6%
Contract liabilities	2,981	148	2,833	1,914.2%
Amount due to a Shareholder	1,376	1,376	–	–
Amount due to non-controlling interest	188	188	–	–
Loans from shareholders	4,789	–	4,789	N/A
Loan from the ultimate holding company	9,780	–	9,780	N/A
Lease liabilities	1,675	1,420	255	18.0%
Convertible notes	–	2,026	(2,026)	(100.0%)
Derivative components embedded in convertible notes	–	25	(25)	(100.0%)
	124,774	62,446	62,348	99.8%
<b>Net current assets</b>	<b>79,465</b>	<b>106,367</b>	<b>(26,902)</b>	<b>(25.3%)</b>
<b>Total assets less current liabilities</b>	<b>124,674</b>	<b>158,383</b>	<b>(33,709)</b>	<b>(21.3%)</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

	2025 HK\$'000	2024 HK\$'000	Change HK\$'000	Change %
<b>Non-current liabilities</b>				
Lease liabilities	1,907	1,211	696	57.5%
Loans from shareholders	4,890	5,800	(910)	(15.7%)
	6,797	7,011	(214)	(3.1%)
<b>Net assets</b>	<b>117,877</b>	<b>151,372</b>	<b>(33,495)</b>	<b>(22.1%)</b>
<b>EQUITY</b>				
Share capital	5,507	5,467	40	0.7%
Reserves	111,813	145,962	(34,149)	(23.4%)
<b>Equity attributable to owners of the Company</b>	<b>117,320</b>	<b>151,429</b>	<b>(34,109)</b>	<b>(22.5%)</b>
<b>Non-controlling interests</b>	<b>557</b>	<b>(57)</b>	<b>614</b>	<b>(1,077.2%)</b>
<b>Total equity</b>	<b>117,877</b>	<b>151,372</b>	<b>(33,495)</b>	<b>(22.1%)</b>

### NON-CURRENT ASSETS

As at 31 December 2025, the Group recorded non-current assets of approximately HK\$45.2 million representing a decrease of approximately HK\$6.8 million or 13.1% when compared to that as at 31 December 2024, the decrease was mainly contributed to (i) the decrease of intangible asset from approximately HK\$8.4 million in the Previous Year to HK\$6.1 million for the Year; and (ii) the decrease of goodwill from approximately HK\$9.2 million in the Previous Year to approximately HK\$2.9 million for the Year.

### CURRENT ASSETS

As at 31 December 2025, the Group recorded approximately HK\$204.2 million in current assets which was approximately HK\$35.4 million higher than that as at 31 December 2024 of approximately HK\$168.8 million, the increase was mainly contributed to (i) the increase of Trade and other receivables from approximately HK\$61.6 million in the Previous Year to HK\$69.0 million for the Year; and (ii) the increase of fixed bank deposit from approximately HK\$23.0 million in the Previous Year to approximately HK\$52.4 million for the Year.

The Group's cash position stood at approximately HK\$77.1 million as at 31 December 2025. Cash to current liabilities ratio decreased to approximately 61.8% (2024: 131.0%), but the ratio still indicated that the Group has strong ability to settle its current liabilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CURRENT LIABILITIES

The Group's current liabilities increased by approximately HK\$62.3 million or 99.8% from approximately HK\$62.4 million as at 31 December 2024 to approximately HK\$124.8 million as at 31 December 2025, which were mainly comprised of trade and other payables of approximately HK\$104.0 million (2024: approximately HK\$57.3 million). As at 31 December 2025, the Group had contract liabilities of approximately HK\$3.0 million (2024: approximately HK\$0.1 million).

### NON-CURRENT LIABILITIES

The Group's non-current liabilities decreased by approximately HK\$0.2 million or 3.1% from approximately HK\$7.0 million as at 31 December 2024 to approximately HK\$6.8 million as at 31 December 2025 which were mainly comprised of loans from shareholders of approximately HK\$4.9 million (2024: approximately HK\$5.8 million), lease liabilities of approximately HK\$1.9 million (2024: approximately HK\$1.2 million).

### NET ASSETS

The Group's net assets decreased by approximately HK\$33.5 million or 22.1% from approximately HK\$151.4 million as at 31 December 2024 to approximately HK\$117.9 million as at 31 December 2025.

**MANAGEMENT  
DISCUSSION AND ANALYSIS**

**STATEMENT OF CASH FLOWS ANALYSIS**

For the year ended 31 December

	2025 HK\$'000	2024 HK\$'000	Change HK\$'000	Change %
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss)/profit before tax				
Continuing operations	(39,905)	(20,927)	(18,978)	90.7%
Discontinued operation	–	3,252	(3,252)	(100.0%)
	(39,905)	(17,675)	(22,230)	125.8%
Total adjustments	21,738	14,022	7,716	55.0%
Operating loss before working capital changes	(18,167)	(3,653)	(14,514)	397.3%
Changes on:				
– Inventories	(893)	2,314	(3,207)	(138.6%)
– Rental and other deposits and trade and other receivables	(27,350)	(13,513)	(13,837)	102.4%
– Contract assets	(2,392)	5,070	(7,462)	(147.2%)
– Prepayments	124	4,278	(4,154)	(97.1%)
– Trade and other payables	56,563	(10,209)	66,774	(654.1%)
– Contract liabilities	2,781	(13,446)	16,227	(120.7%)
– Defined benefit assets	(677)	(303)	(374)	123.4%
<i>Cash generated from/(used in) operations</i>	9,989	(29,462)	39,451	(133.9%)
Income taxes (paid)/refunded	(522)	(190)	(332)	174.7%
Interest received	1,398	1,127	271	24.0%
<b>Net cash generated from/(used in) operating activities</b>	<b>10,865</b>	<b>(28,525)</b>	<b>39,390</b>	<b>(138.1%)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of property, plant and equipment	(523)	(455)	(68)	14.9%
Proceeds from disposals of property, plant and equipment	84	–	84	N/A
Net cash inflow arising on disposal of subsidiaries	20	1,522	(1,502)	(98.7%)
Increase in fixed bank deposits	(28,422)	(11,766)	(16,656)	141.6%
<b>Net cash used in investing activities</b>	<b>(28,841)</b>	<b>(10,699)</b>	<b>(18,142)</b>	<b>69.6%</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

	2025 HK\$'000	2024 HK\$'000	Change HK\$'000	Change %
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
New shareholder loan obtained	5,000	–	5,000	N/A
New ultimate holding company's loan obtained	10,000	–	10,000	N/A
Repayment of principal portion of the lease liabilities	(1,876)	(1,757)	(119)	6.8%
Repayment of Shareholders loans	(1,190)	–	(1,190)	N/A
Proceeds on issue of convertible notes, net of transaction costs	–	1,918	(1,918)	(100.0%)
<b>Net cash generated from financing activities</b>	<b>11,934</b>	<b>161</b>	<b>11,773</b>	<b>7,312.4%</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,042)</b>	<b>(39,063)</b>	<b>33,021</b>	<b>(84.5%)</b>
Cash and cash equivalents at beginning of year	81,807	122,708	(40,901)	(33.3%)
Effect of exchange rate changes	1,371	(1,838)	3,209	(174.6%)
Cash and cash equivalents at end of year	77,136	81,807	(4,671)	(5.7%)
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Bank and cash balances	77,136	81,807	4,671	(5.7%)

### CASH FLOWS FROM OPERATING ACTIVITIES

The Group generated approximately HK\$18 million negative cash flows from operating activities before working capital changes and income tax paid in 2025, which was approximately HK\$14.5 million higher than that in 2024. After changes in working capital, income tax paid and interest received, cash inflow of approximately HK\$10.9 million was recorded.

The cash generated from operating activities for the Year was approximately HK\$10.9 million (2024: net cash used in operating activities of approximately HK\$28.5 million), such decrease mainly contributed to increase in repayment of trade and other payables.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CASH FLOWS FROM INVESTING ACTIVITIES

The net cash used in investing activities for the Year was approximately HK\$28.8 million (2024: approximately HK\$10.7 million). The increase in net cash used in investing activities mainly contributed to the increase in fixed bank deposits approximately HK\$28.4 million.

### CASH FLOWS FROM FINANCING ACTIVITIES

The net cash generated from financing activities for the Year was approximately HK\$12.0 million (2024: approximately HK\$0.2 million), such increase mainly contributed to repayment of principal portion of the lease liabilities during the year.

### NET CHANGE IN CASH AND CASH EQUIVALENTS

The net change in cash and cash equivalents for the Year stood at a negative amount of HK\$6.0 million (2024: positive HK\$39.1 million). The reach effect of exchange rate changes and cash and cash equivalents at end of the Year to approximately HK\$1.4 million (2024: approximately HK\$1.8 million of negative effect of exchange rate changes) and HK\$77.1 million (2024: approximately HK\$81.8 million) respectively.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's net current assets of approximately HK\$79.5 million showing a strong liquidity. The liquidity ratio as at 31 December 2025, represented by a ratio of current assets over current liabilities, was 1.6 times (2024: 2.7 times), reflecting the adequacy of financial resources.

The Group expresses its gearing ratio as a percentage of total borrowings (i.e. Shareholder's loan, ultimate holding company's loan, lease liabilities and convertible notes) over total equity. As at 31 December 2025, the gearing ratio was 20.9% (2024: 7.9%).

As at 31 December 2025, the Group recorded cash and cash equivalents of approximately HK\$77.1 million (2024: approximately HK\$81.8 million), which included approximately KRW12,147 million (equivalents to approximately HK\$65.5 million), HK\$11.0 million and small amount of United States Dollars.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### FOREIGN EXCHANGE EXPOSURE

The Group's business in South 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 2025 (2024: 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

On 18 December 2025, Future Data China Holdings Limited (the "Vendor"), an indirect wholly-owned subsidiary of the Company, entered into a share purchase agreement to dispose of approximately 51% of the issued share capital of Hunter Digital Limited ("HDL"). Concurrently, the right to a loan of HK\$4,000,000 owed by HDL to the Vendor will be transferred to the purchaser, for a total cash consideration of HK\$3.8 million.

In light of HDL's persistent underperformance and limited prospect of near-term improvement, the disposal aligns with the Group's long-term strategy to refocus on core businesses, optimize resource allocation and align with emerging technological trends. A disposal loss of approximately HK\$2.1 million has been recognized after audit. Upon completion, HDL and its subsidiaries will cease to be subsidiaries of the Group, and the related operating losses and financial risks will no longer be recognized.

### CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2025 (2024: Nil).

### CAPITAL COMMITMENT

As at 31 December 2025, the Group has outstanding capital commitments of HK\$6.0 million (2024: HK\$6.0 million) relating to acquisition of property, plant and equipment.

## CONVERTIBLE NOTES UNDER GENERAL MANDATE

### (i) Subscription of Convertible Notes

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.

### (ii) Transfer of the Convertible Notes

On 9 June 2025, the Company received a form of transfer (the “**Form of Transfer**”) from Mr. Huang Zhenxiu (“**Mr. Huang**”), the original bondholder, in relation to the transfer of the Convertible Notes to Mr. Guo Hongjing (“**Mr. Guo**”), an independent third party. Subsequently, the Convertible Notes was transferred to Mr. Guo.

### (iii) Conversion of the Convertible Notes

On 31 July 2025, the Company received a conversion notice from Mr. Guo in relation to the exercise of the conversion rights attached to the Convertible Notes to convert the Convertible Notes in the principal amount of HK\$2,000,000 into 4,000,000 conversion shares at the conversion price of HK\$0.5 (the “**Conversion**”). Accordingly, on 4 August 2025, 4,000,000 conversion shares, representing approximately 0.73% of the total number of issued Shares immediately before the Conversion and approximately 0.73% of the total number of issued Shares as enlarged by the issue of the conversion shares after the Conversion, were allotted to Mr. Guo under the relevant general mandate in accordance with the terms and conditions of the Convertible Notes. The conversion shares shall rank pari passu with, and carry the same rights as, the other Shares in issue as at the date of the allotment and among themselves in all respects (including the rights to dividends).

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL EVENTS AFTER THE REPORTING PERIOD

The details of the material events after the reporting period can be referred to the paragraph headed “EVENTS AFTER THE REPORTING PERIOD” in the section headed “Reports of the Directors” in this annual report.

### PROSPECTS

Looking ahead, the Group remains confident in the long-term growth potential of South Korea’s digital economy, supported by continued government and corporate investment in smart infrastructure, cybersecurity, cloud computing and AI applications. As a comprehensive system integrator with an established operating presence in Korea, the Group is well-positioned to capture growing demand for connected, secure and intelligent solutions.

The Group will further leverage its technical advantages to expand into high-growth areas including the IoT, big data and AI, while actively exploring cross-border payment services as a new growth driver. To support sustainable development, the Group will continue to optimise its cost structure, strengthen working capital management and enhance operational efficiency. The newly adopted share option scheme will help attract and retain key talents to drive technological innovation and business expansion.

The Board believes that with its solid industry experience, diversified service portfolio and prudent operating strategy, the Group is well-positioned to overcome short-term market challenges and create long-term value for shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Employees and Remuneration Policy

As at 31 December 2025, the Group had an aggregate of 228 (2024: 206) 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\$92.4 million for the Year (2024: HK\$82.5 million).

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, 15 January 2024 and 23 January 2026, the Company offered to grant 19,200,000 share options, 4,800,000 share options, 5,800,000 share options, 4,800,000 share options and 5,400,000 share options, respectively, to those grantees. 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, 15 January 2024 and 23 January 2026 respectively. As of 23 January 2026, all the 2016 share option scheme mandate limit has been fully utilized.

Therefore, the Group has passed an ordinary resolution at the EGM to adopt the 2026 share option scheme in accordance with chapter 23 of the GEM Listing Rules to replace the 2016 share option scheme with total amount of 55,068,000 share options, representing 10% of the total number of issued shares (excluding treasury shares) as of 17 March 2026. On 31 March 2026, the Company offered to grant a total of 23,850,000 share options under the share option scheme adopted on 17 March 2026, to a total of 5 grantees who are employee participants of the Group with HK\$0.58 per share of exercise price of share options granted.

After the above grant of share options, 31,218,000 remaining shares will be available for future grant under the existing scheme mandate of the share option scheme.

In enhancing the competitiveness and improving staff quality through continuous learning, the Group provides our staff with regular technical and on-the-job trainings and encourages our staff to attend external seminars and sit for examinations to develop their knowledge continuously.

# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

Ms. Tuen Hei Ching (段羲澄) (“Ms. Tuen”), aged 32, was appointed as an Executive Director of our Group on 11 June 2025. She is concurrently serves as the director of the following subsidiaries of the Group: (i) Future Data China Holdings Limited (BVI); (ii) Future Data Space Limited (BVI); (iii) Digital Development Holdings Limited; (iv) Future Innovation Technology Holdings Limited; (v) Future Global Market Trading Limited; (vi) Future Data Space Technology Limited; and (vii) Data Space Investment Limited. Ms. Tuen is also a member of the Nomination Committee and Remuneration Committee of the Company, and one of the authorized representatives of the Company under the Listing Rules.

Ms. Tuen has been primarily responsible for corporate governance, investment management and corporate finance matters since her appointment as Vice President of the Group in April 2025. Following her appointment as an Executive Director of the Company on 11 June 2025, she has additionally taken on the responsibility of exploring and overseeing the development of the Group’s new business lines.

Ms. Tuen holds a Master of Social Sciences degree from The University of Hong Kong and a Master of Finance degree from The Hong Kong Polytechnic University.

Prior to joining the Group, Ms. Tuen has accumulated over eight years of extensive experience in corporate finance, investment management and business development. She previously held senior positions at various financial institutions, with proven expertise in investor relations, corporate financing, cross-border investment and strategic execution.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Lee Seung Han (李承翰) (“Mr. Lee”), aged 55, is the co-founder of our Group. Mr. Lee was appointed as an executive Director and the Chief Executive Officer of our Group on 8 July 2016, he resigned as the Chief Executive Officer on 17 April 2024.

Mr. Lee is also a director of Global Telecom Company Limited (“Global Telecom”), Future Data Limited (both of them are indirect wholly-owned subsidiaries of the Company) and SuperChips Limited. Mr. Lee is mainly responsible for the overall management with focus on business development of our Group. In particular, Mr. Lee is responsible for the formulation of corporate strategy and the supervision and management of the business development of our Group.

Mr. Lee obtained a bachelor’s degree in computer science from The University of Suwon in Korea in February 1996.

Mr. Lee has over 29 years of experience in the information and communications technology industry. Prior to co-founding our Group, Mr. Lee started his career in ShinLa Information Communications Co., Ltd., a company principally engaged in network infrastructure business in Korea, in December 1995 and left in March 1997.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### NON-EXECUTIVE DIRECTOR

Ms. Tao Hongxia (陶虹遐) (“Ms. Tao”), aged 53, was appointed as an executive Director and Chairlady of our Board on 31 October 2022, she was re-designated as non-executive Director on 17 April 2024 but remains the Chairlady of the Board.

Ms. Tao is also a sole beneficial owner and a sole director of Gorgeous Real Investment Holding Limited. She is the sister of Mr. Tao Guolin, who is the general manager of the Group and substantial shareholder of the Company. Ms. Tao obtained her bachelor’s degree from Southwest Institute of Technology\* (西南工學院) (currently known as Southwest University of Science and Technology\* (西南科技大學)) in Chongqing of the People’s Republic of China (the “PRC”) in June 1996. Ms. Tao has extensive experience in supply chain-related and real estate-related multi-industry management. She had served in a number of companies, including Jinke Property Group Co., Ltd (金科地產集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000656)) with her last position being the person in charge of the procurement centre, Chongqing Hongtao Culture Media Co., Ltd.\* (重慶虹淘文化傳媒有限公司) as the chairlady of the board of directors, Chongqing Hongtai Real Estate Co., Limited\*(重慶市宏泰房地產公司) as the cooperative resources general manager, Chongqing Jianglong Construction Group\* (重慶市江龍建設集團) as the general manager of the cost control department and Chongqing City Hongtao Investment Company Limited\* (重慶市虹淘投資股份有限公司) as the chairlady of the board of directors.

Ms. Tao was the executive director, general manager and legal representative of Chongqing Hongtao Network Technology Co., Ltd.\* (重慶虹淘網絡科技有限公司) (“Chongqing Hongtao Network”), a company established in the PRC with limited liability which principally engaged in computer network technology development and technical consultancy services, immediately prior to its dissolution by voluntary deregistration on 20 June 2019 as the company was inactive.

Ms. Tao confirmed that there was no wrongful act on her part leading to the dissolution of Chongqing Hongtao Network and she is not aware of any actual or potential claim that has been or will be made against her as a result of the dissolution of Chongqing Hongtao Network as at the date of this annual report.

\* For identification purposes only

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kin Ming (陳建明) (“Mr. Chan”), aged 37, was appointed as our independent non-executive Director, the chairman of our audit committee (the “**Audit Committee**”), a member of each of our Remuneration Committee and our Nomination Committee on 31 October 2022.

Mr. Chan has over 10 years of experience in auditing and finance. Mr. Chan was the company secretary of China Environmental Energy Investment Limited (中國環保能源投資有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 986) from May 2018 to July 2023.

Mr. Chan worked for an international audit firm with his last position being an audit manager and has experience in performing audits for listed companies. Mr. Chan is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and holds a Bachelor’s degree in Accounting from the Edinburgh Napier University.

Mr. Lam Chi Cheung Albert (林智祥) (“Mr. Lam”), aged 48, was appointed as our independent non-executive Director, the chairman of our Remuneration Committee and a member of each of our Audit Committee and Nomination Committee on 31 October 2022.

Mr. Lam has approximately 26 years of experience in the information and communication technology industry. Mr. Lam is a co-founder and the chief executive officer of NOVELTE ROBOTICS LIMITED, a company incorporated in Hong Kong which principally engages in the provision of robotics solutions and computer vision technology. He was the chief executive officer of EMBRAZZ DIGITAL TECHNOLOGY LIMITED\* (北京啟燁數碼科技有限公司), a company established in the PRC with limited liability which principally engages in the design and development of online applications, from July 2017 to December 2019. From 2013 to 2017, Mr. Lam worked at PricewaterhouseCoopers with his last position being an associate director and was responsible for technology innovation and project planning. From August 2009 to August 2013, Mr. Lam worked at TOUCHMEDIA, a digital design house, with his last position being the general manager.

Mr. Lam obtained a degree of Master of Science in China Business Studies from The Hong Kong Polytechnic University in November 2004. In December 1999, Mr. Lam obtained a degree of Bachelor of Engineering in Industrial Management and Manufacturing Systems Engineering from The University of Hong Kong.

\* For identification purposes only

## **BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT**

Mr. Leung Louis Ho Ming (梁浩鳴) (“Mr. Leung”), aged 43, was appointed as our independent non-executive Director, the chairman of our Nomination Committee and a member of our Audit committee on 16 May 2023.

Mr. Leung obtained a bachelor’s degree of science in quantitative finance from the Chinese University of Hong Kong in 2004. He is currently a member of the Hong Kong Institute of Certified Public Accountant and has over 12 years of experience in accounting and auditing for Hong Kong listed and private companies.

Mr. Leung is (i) an independent non-executive director and the chairman of the audit committee of Mabpharm Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2181); and (ii) an independent non-executive director, a member of the audit committee and nomination committee, and the chairman of the remuneration committee of GR Properties Limited, a company listed on the Main Board of the Stock Exchange (stock code: 108). Mr. Leung was the company secretary and authorised representative (for the purpose of Rule 5.24 of the GEM Listing Rules) of AL Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8360) from September 2019 to May 2022, the chief financial officer and company secretary of China Child Care Corporation Limited (currently known as Prosperous Future Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1259) from June 2017 to May 2019 and from January 2018 to May 2019 respectively.

### **CHANGES IN DIRECTORS’ INFORMATION**

The changes in Directors’ information which were required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules are as follows:

1. On 11 June 2025, Mr. Cheung Ting Pong resigned as the Vice Chairman of the Board, Executive Director, the Chief Executive Officer of the Group, and member of each of the Nomination Committee and Remuneration Committee, and ceased to be an Authorized Representative of the Company.
2. On 11 June 2025, Ms. Tuen Hei Ching was appointed as an Executive Director, a member of each of the Nomination Committee and Remuneration Committee, and succeeded as the Authorized Representative of the Company. On 1 January 2026, the annual director’s remuneration of Ms. Tuen Hei Ching has been increase to HK\$960,000.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### Disclosure required under Rule 17.50(2) of the GEM Listing Rules

As at the date of this annual report, each of our Directors confirmed that save for the information shown on the Section “Corporate Information” of this annual report and save as disclosed above: (i) he/she has not held directorships in the past three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) save as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” in the Report of the Directors of this annual report, he/she did not have any interests in the shares within the meaning of Part XV of the SFO; (iii) there was no information that should be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules; and (iv) to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders of the Company.

### SENIOR MANAGEMENT

Mr. Tao Guolin (陶國林) (“Mr. Tao”), aged 58, was the executive Director of our Group from 25 August 2021 to 5 December 2023. Mr. Tao is the group general manager since 31 October 2022. He is the elder brother of Ms. Tao Hongxia the non-executive Director and Chairlady of the Board.

Mr. Tao obtained his bachelor’s degree in business administration, majoring in marketing, from Beijing University of Technology (北京工業大學) in Beijing of the PRC in July 2001. Mr. Tao has extensive experience in trading and commerce as well as the real estate industry. He served as a deputy head of the supervisory committee of Jinke Property Group Co., Ltd (金科地產集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000656), from April 2019 to July 2021. Mr. Tao has been working as a supervisor of Chongqing Xinshili Investment Company Limited\* (重慶新實力投資有限公司) since August 2014 and is principally responsible for overseeing its strategic planning and management. He has been the president of Chongqing Home Furnishing Industry Chamber of Commerce\* (重慶市家居行業商會) since December 2015. Mr. Tao has a broad business network in the PRC. The significant business development experience and the broad business network that Mr. Tao possesses would be conducive to the Group’s development of its cybersecurity software business as well as exploration of business opportunities in the Asian region, especially in the PRC.

\* For identification purposes only

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that the Shareholders' wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

## CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Company is committed to achieving high standards of corporate governance to safeguard the interest of the Shareholders and to enhance the corporate value, accountability and transparency of the Company.

The Company's corporate governance framework has been in place and established a set of policies and procedures based on the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the GEM Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Company has applied the principles as set out in the CG Code. Throughout the Year, the Company has complied with the code provisions as set out in the CG Code which has been adopted as the Company's own code to govern its corporate governance practices. The Company will continue to enhance its corporate governance practices appropriate to the operation and growth of the business of the Group.

The Company will periodically review and improve its corporate governance practices with reference to its latest development.

## 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.

The Company has also adopted the Securities Dealing Code for securities transactions by relevant employees of the Group who are likely to possess inside information in relation to the Company or its securities. No incidence of non-compliance of the Securities Dealing Code by the relevant employees was noted by the Company throughout the Year.

## BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsibility for promoting the Company’s success by directing and supervising the Company’s affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director has spent sufficient time in discharging the director’s duties that are commensurate with their role and the Board responsibilities. The existing Board includes a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

### Board Composition

As at the date of this annual report, the Board comprises six members, consisting of two executive Directors, one non-executive Director and three independent non-executive Directors. During the Year, the Board’s composition including its changes is shown as follows composition:

#### Executive Directors:

Ms. Tuen Hei Ching

*(appointed on 11 June 2025)*

*(a member of the Remuneration Committee and the Nomination Committee)*

Mr. Cheung Ting Pong

*(resigned on 11 June 2025)*

*(resigned as the Vice Chairman of the Board and the Chief Executive Officer on 11 June 2025)*

*(resigned as the member of the Remuneration Committee and the Nomination Committee)*

Mr. Lee Seung Han

## CORPORATE GOVERNANCE REPORT

### Non-executive Director:

Ms. Tao Hongxia (*Chairlady of the Board*)

### Independent non-executive Directors:

Mr. Chan Kin Ming

*(the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee)*

Mr. Lam Chi Cheung Albert

*(the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee)*

Mr. Leung Louis Ho Ming

*(the chairman of the Nomination Committee and a member of the Audit Committee)*

The relationships between the Directors and biographical information of the Directors are set out under the section headed "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" in this annual report.

Save as disclosed under the section headed "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT", to the best knowledge of the Company, there are no other financial, business, family or other material/ relevant relationships among the members of the Board.

### Chairlady and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing.

The position of Chairlady of the Board is held by Ms. Tao Hongxia and she provides leadership and is responsible for the overall strategic planning and development of the Group and the effective functioning and leadership of the Board. Following the resignation of Mr. Cheung Ting Pong with effect from 11 June 2025, no chief executive officer has been appointed or designated by the Company. However, Ms. Tuen Hei Ching has taken the responsibility as the role of chief executive officer of the Company for the Company's business development and daily management and operations generally.

### **Independent non-executive Directors**

During the Year, the Company had met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. The Company considers all independent non-executive Directors are independent.

### **Lead Independent Non-executive Director**

In accordance with the amended Mandatory Disclosure Requirement under the GEM Listing Rules, the Board is in the process of appointing a Lead Independent Non-executive Director.

The intended candidate is Mr. Chan Kin Ming, who serves as the Chairman of the Audit Committee. Relevant arrangement will be further confirmed and disclosed in the interim report of the Group.

### **Board Independence Evaluation**

The Company has established a Board Independence Evaluation Mechanism during the Year which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the Year, all Directors has completed the independence evaluation in the form of a questionnaire individually and supplemented by individual interviews. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory. In addition, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

### **Appointment and Re-election of Directors**

Code provision B.2.2 of the CG Code states that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the executive Directors and the non-executive Director has entered into a service agreement with the Company for a specific term of two or three years, subject to renewal after the expiry of the then current term or termination by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company with a term of one year, and it will be renewed automatically for a successive term of one year upon expiry subject to compliance with relevant requirements, and subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

Each of the Directors is subject to re-election at the annual general meeting of the Company ("AGM") after his/her appointment pursuant to the articles of association of the Company ("Articles"). The term of offices of every Director is also subject to retirement by rotation at the AGM at least once every three years pursuant to the Articles.

### **Responsibilities, Accountabilities and Contributions of the Board and Management**

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Directors have timely access to the information of the Company as well as the services and advice from the joint company secretaries and senior management of the Company. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to its management team.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

## CORPORATE GOVERNANCE REPORT

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

### Continuous Professional Development of Directors

Directors keep abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements. The induction materials, including directors' manual and legal and regulatory update have been provided to the Directors upon appointment.

Directors should participate in appropriate continuous professional development and training courses to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate.

The Directors have participated in the following trainings during the Year:

	Types of training
<b>Executive Directors</b>	
Ms. Tuen Hei Ching (appointed on 11 June 2025)	A, B
Mr. Cheung Ting Pong (resigned on 11 June 2025)	A, B
Mr. Lee Seung Han	A, B
<b>Non-executive Director</b>	
Ms. Tao Hongxia	A, B
<b>Independent non-executive Directors</b>	
Mr. Chan Kin Ming	A, B
Mr. Lam Chi Cheung Albert	A, B
Mr. Leung Louis Ho Ming	A, B

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops.

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications.

## **BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS**

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to the Shareholders upon request.

All of the members of each Board committee are independent non-executive Directors and executive Director as well as the list of the chairman and members of each Board committee is set out under the section headed "Corporate Information" in this annual report.

### **Audit Committee**

The Company established the Audit Committee on 21 June 2016 with written terms of reference in compliance with the CG Code.

On 31 December 2018, the Board adopted the revised terms of reference of the Audit Committee by a resolution passed on the same date. Such revised terms of reference is posted on the websites of the Stock Exchange and of the Company.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems and the internal audit function, audit plan and relationship with external auditor, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Kin Ming, Mr. Lam Chi Cheung Albert and Mr. Leung Louis Ho Ming. Mr. Chan Kin Ming is the chairman of the Audit Committee, who has appropriate professional qualifications or accounting or related financial management expertise.

During the Year, the Audit Committee held two meetings, to review the remuneration, terms of engagement and independence of the Company's external auditor; the risk management and internal control systems and internal audit function; the arrangements for employees to raise concerns about possible improprieties; the Group's annual financial results and report for the year ended 31 December 2024; and the interim financial results and report for the six months ended 30 June 2025 before submission to the Board for approval.

During the Year, the Audit Committee met the external auditor twice a year without the presence of the executive Directors.

The Audit Committee has in conjunction with management of the Company reviewed the accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters including a review of the audited consolidated financial statements of the Group for the Year and the independent auditor's report thereon.

#### **Remuneration Committee**

The Company established the Remuneration Committee on 21 June 2016 with written terms of reference in compliance with the CG Code. On 21 June 2016, the Board adopted the revised terms of reference of the Remuneration Committee by a resolution passed on the same date. Such revised terms of reference is posted on the websites of the Stock Exchange and of the Company.

The primary functions of the Remuneration Committee include determining, with delegated responsibility, the specific remuneration packages of all executive Directors and senior management, reviewing and making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to ensure that no Director or any of his associates will participate in deciding his own remuneration.

The Remuneration Committee currently consists of three members, namely Mr. Lam Chi Cheung Albert, Mr. Chan Kin Ming and Ms. Tuen Hei Ching, both Mr. Lam Chi Cheung Albert and Mr. Chan Kin Ming are independent non-executive Directors and Ms. Tuen Hei Ching is the executive Director. Mr. Lam Chi Cheung Albert is the chairman of the Remuneration Committee.

The Remuneration Committee shall report to the Board after each meeting of the Remuneration Committee.

During the Year, the Remuneration Committee held four meetings, to review the remuneration packages of existing Directors and senior management; the Company's policy and structure for the remuneration of Directors and senior management; and reviewed and approved matters relating to the Share Option Scheme under chapter 23 of the GEM Listing Rules.

### **Nomination Committee**

The Company established the Nomination Committee on 21 June 2016 with written terms of reference in compliance with the CG Code. The principal duties of the Nomination Committee include reviewing the Board structure, size, composition and diversity, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

The Nomination Committee currently consists of four members, namely Mr. Lam Chi Cheung Albert, Mr. Chan Kin Ming and Mr. Leung Louis Ho Ming, all of whom are independent non-executive Directors, and Ms. Tuen Hei Ching, who is the executive Director. Mr. Leung Louis Ho Ming is the chairman of the Nomination Committee.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

After discussions and consideration, the Nomination Committee was of the view that the structure, number of members and composition of the Board in 2025 were reasonable and in consistence with the strategies of the Group.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence, time commitment and other relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee shall report to the Board after each meeting of the Nomination Committee.

During the Year, the Nomination Committee held two meetings, to review the structure, size and composition of the Board; the Board Diversity Policy and the independence of the independent non-executive Directors; and to consider the qualifications of the retiring Directors standing for re-election at the AGM. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board has been maintained.

### **Board Diversity Policy**

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile.

In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

An analysis of the Board's current composition based on the measurable objectives is set out below:

#### **Gender**

Male: 4 Directors

Female: 2 Directors

#### **Age Group**

31–40: 1 Director

41–50: 3 Directors

51–60: 2 Directors

#### **Designation**

Executive Directors: 2 Directors

Non-executive Director: 1 Director

Independent non-executive Directors: 3 Directors

# CORPORATE GOVERNANCE REPORT

## Educational Background

Business Administration: 1 Director  
Account and Finance: 3 Directors  
Computer Science and Engineering: 2 Directors

## Nationality

Korean: 1 Director  
Chinese: 5 Directors

## Business Experience

Accounting and Finance: 3 Directors  
Information and Communication Technology: 2 Directors  
Real Estate: 1 Director

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Although the Board does not currently have a specific plan to acquire additional skills, it will closely monitor relevant compliance requirements, including those under the GEM Listing Rules, to ensure that its skill matrix remains appropriate and adequate. The Board will also arrange regular professional training for Directors to equip them with up-to-date knowledge and skills.

## Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female	Male
Board	33.33%	66.66%
Senior Management	–%	100%

In considering the Board's succession, the Nomination Committee will help to identify potential candidates for Directors, as and when appropriate and the Board will continue to take opportunities to increase the proportion of female members over time at the Board level and workforce level as and when suitable candidates are identified so as to develop a pipeline of potential successors to the Board as well as enhance gender diversity across the Board and the workforce in the near future.

The Board considers that the current gender diversity at the Board level is satisfactory. The Company will take steps to promote gender diversity at all levels, starting by the recruitment of staff at all levels of the Company to avoid a single gender workforce in workplaces. We are committed to providing career development opportunities to all gender without discrimination. The Group will review the gender diversity of the workforce regularly.

### **Director Nomination Policy**

The Board has delegated its responsibilities to the Nomination Committee for identification and selection of candidates to stand for election as Directors. The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the Director Nomination Policy is as follows:

### **Appointment of New Director**

- (i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- (ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

**Re-election of Director at General Meeting**

- (i) The Nomination Committee and the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the GEM Listing Rules and/or applicable laws and regulations.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the GEM Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Nomination Committee will conduct regular review on the Director Nomination Policy, as appropriate, to ensure its effectiveness.

## CORPORATE GOVERNANCE REPORT

### Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the required standard of dealings by directors of securities transactions and the Company's Securities Dealing Code, as well as the Company's compliance with the CG Code and disclosure in this corporate governance report.

### REMUNERATION BANDS OF MEMBERS OF SENIOR MANAGEMENT

The remuneration band of the member of senior management who are not Directors for the Year are as follows:

Remuneration bands	Number of Individuals
HK\$ Nil to HK\$1,000,000	1

### ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the meetings of the Board and Board committee and the general meeting of the Company held during the Year is set out in the table below:

	Attendance/Number of Meetings					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	AGM	EGM
<b>Executive Directors</b>						
Ms. Tuen Hei Ching (appointed on 11 June 2025)	10/17	N/A	2/4	1/2	N/A	N/A
Mr. Cheung Ting Pong (resigned on 11 June 2025)	7/17	N/A	2/4	1/2	1/1	1/1
Mr. Lee Seung Han	17/17	N/A	N/A	N/A	1/1	1/1
<b>Non-executive Director</b>						
Ms. Tao Hongxia	17/17	N/A	N/A	N/A	1/1	1/1
<b>Independent non-executive Directors</b>						
Mr. Chan Kin Ming	17/17	2/2	4/4	2/2	1/1	1/1
Mr. Lam Chi Cheung Albert	17/17	2/2	4/4	2/2	1/1	1/1
Mr. Leung Louis Ho Ming	17/17	2/2	4/4	2/2	1/1	1/1

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

During the Year, 17 board meetings were held, including four regular board meetings.

On 28 March 2025, the Chairlady of the Board held a meeting with the independent non-executive Directors without the presence of other Directors.

All the Independent non-executive Directors attended the AGM held in 2025 to gain and develop a balanced understanding of the view of Shareholders.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The risk management process of our Group is coordinated and facilitated by our compliance officer. The objectives of risk management are to, inter alia, enhance our Company's governance and corporate management processes as well as to safeguard our Group against unacceptable levels of risks and losses. The risk management process of our Group will involve, inter alia, (i) an annual risk identification exercise which involves assessment of the consequence and likelihood of risks (including documenting those of potentially high impact) and the development and/or review of risk management plans for mitigating such risks; (ii) testing of documented risk management procedures at approval intervals; and (iii) ensuring that our staff and other stakeholders have access to appropriate information and training in the area of risk management.

An internal audit function is set up to examine key issues in relation to the financial and operational matters/practices and to provide its findings and any recommendations for improvement to the Audit Committee. As the Group is relatively simple corporate and operation structure, the Board is assisted by its own internal audit function to manage the risks exposed to the Group. During the Year, the Group engaged an independent internal control consultant, Valplus Consulting Limited ("Valplus"), to reassess existing internal control policies and to give recommendations to make any enhancement.

With a view to identifying, handling and disseminating inside information, procedures have been implemented by the Group to ensure that unauthorised access and use of information are strictly prohibited.

During the Year, the Board, as supported by the Audit Committee, our compliance officer and Valplus, reviewed the risk management and internal control systems, including the (i) Procurement and AP Management; and (ii) Cash and Treasury Management for the mentioned period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources as well as our Environmental, Social and Governance (“ESG”) performance and reporting.

The Company has in place the Whistleblowing Policy and system for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal audit function, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During the Year, there were no cases in relation to bribery and corruption has been reported.

### **DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year.

The Directors have prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The report of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 67 to 73.

### AUDITOR'S REMUNERATION

RSM Hong Kong ("RSM") has resigned as auditor of the Company with effect from 20 January 2025 and the Company has resolved to appoint Prism Hong Kong Limited ("Prism") as the new auditor of the Company with effect from 14 February 2025 to fill the casual vacancy following the resignation of RSM and to hold office until the conclusion of forthcoming AGM.

The remuneration paid or payable to the Company's auditor, Prism, in respect of their audit services and non-audit services for the year ended 31 December 2025 was as follows:

Service rendered	Remuneration paid/payable HK\$'000
Audit services – 2025 annual audit	855
Non-audit services	60
Total	915

### JOINT COMPANY SECRETARIES

Mr. Pang Kai Cheong ("Mr. Pang") has resigned as the joint company secretaries of the Company on 30 April 2025. Following the resignation of Mr. Pang, Ms. Cheung Yuet Fan ("Ms. Cheung") has served as the sole company secretary of the Company. Ms. Cheung's primary contact person at the Company is Ms. Tuen Hei Ching, the Executive Director of the Company.

Ms. Cheung of Tricor Services Limited (a member of Vistra Group), a global professional services provider specialising in integrated business, corporate and investor services, has been appointed as the company secretary of the Company since 29 January 2021.

Ms. Cheung is responsible for providing advice to the Company on corporate governance matters and relevant updates on applicable laws, rules and regulations so as to uphold good corporate governance practices of the Company. All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters.

During the Year, both Mr. Pang and Ms. Cheung have undertaken not less than 15 hours of relevant professional training respectively in compliance with the GEM Listing Rules.

## SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at Shareholders' meetings, including the election of individual Directors. All resolutions put forward at Shareholders' meetings of the Company will be voted on by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each Shareholders' meeting of the Company.

### Convening an Extraordinary General Meeting ("EGM") by Shareholders and Putting Forward Proposals at General Meetings

- Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.
- Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at Room 1703, 17/F., Office Tower, Convention Plaza, No. 1 Harbour Road, Wan Chai, Hong Kong, for the attention of the Chairlady of the Board.
- The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included, the details of the business(es) proposed to be transacted in the EGM, signed by the Eligible Shareholder(s) concerned.
- The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholders will be verified with the Company's branch share registrar. If the Requisition is found to be proper and in order, the Chairman of the Board will ask the Board to convene an EGM within 2 months and/or include the proposal or the resolution proposed by the Eligible Shareholder(s) at the EGM after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM and/or include the proposal or the resolution proposed by the Eligible Shareholder(s) at the EGM.

- If within 21 days of the deposit of the Requisition the Board has not advised the Eligible Shareholder(s) of any outcome to the contrary and fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Memorandum and Articles of Association of the Company, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

#### **Putting Forward Enquiries to the Board and Contact Details**

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries as mentioned above to the following:

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Address:	Room 1703, 17/F., Office Tower, Convention Plaza, No. 1 Harbour Road, Wan Chai, Hong Kong
Email:	grace.tuen@futuredatagroup.com
Fax:	(852) 3568 2576

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#### **SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS**

- a. The Company places great emphasis on investor relations. The Company office (office of the Board) is responsible for communicating with investors in compliance with regulatory requirements through meetings with, site visits by and setting up email accounts for investors, which enhanced communications with investors.
- b. During the Year, for each substantially separate issue at a general meeting, a separate resolution was proposed. All resolutions were voted by poll to safeguard the interests of all Shareholders. A meeting notice was delivered to each Shareholder at least 14 days (exclusive of the day of the meeting) prior to Shareholders' meetings.

- c. The Company attaches great importance to the communication with Shareholders to ensure that Shareholders can obtain the information of the Company equally and timely, so that Shareholders can exercise their rights and allow Shareholders to actively participate in the affairs of the company. The communication with Shareholders is mainly through the Company's website, Company mailbox, financial reports, annual general meeting and other potential EGM(s), and other disclosure materials submitted to the Hong Kong Stock Exchange. Shareholders can reach the Company via telephone (+852 3622 1453) or email (grace.tuen@futuredatagroup.com) to express opinions on various matters of the Company. The Chairlady of the Board hosted the general meetings as the chairperson of such meeting. Members of the Board and the senior management also attended Shareholders' meetings, answered questions raised by Shareholders and listened to suggestions of the Shareholders. The Company has reviewed the implementation of the policies related to Shareholder communication during the Year, and is of the opinion that the relevant policies are appropriate and effective.

### **SHAREHOLDERS' COMMUNICATION POLICY**

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

### **DIVIDEND POLICY**

The Company has adopted a policy on payment of dividends, which sets out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of dividends to the Shareholders.

In recommending the declaration and payment of dividend, the Board shall consider all relevant internal and external factors which include, but not limited to, financial results, liquidity position, capital requirements, general market and economic conditions, as well as our Shareholders' interests.

The recommendation of any final dividend for a financial year will be subject to Shareholders' approval at general meeting of the Company.

### **CONSTITUTIONAL DOCUMENTS**

The Company has not made any changes to its Articles during the Year. An up to date version of the Articles is also available on the Company's website and the Stock Exchange's website.

# REPORT OF THE DIRECTORS

The Directors are pleased to present the report of the Directors and the audited consolidated financial statements of the Group for the Year.

## PRINCIPAL ACTIVITIES

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

## BUSINESS REVIEW

Discussion and analysis of the business of the Group during the Year and the outlook of the business are provided in the section headed "Management Discussion and Analysis" on pages 9 to 22 of this annual report and the above discussion form part of this report of the Directors.

## RESULTS AND DIVIDENDS

The results of the Group for the Year and the financial position of the Group as at 31 December 2025 are set forth in the consolidated financial statements on pages 74 to 194 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2024: Nil).

## REVENUE AND SEGMENT INFORMATION

The revenue and segment information of the Group for the year are set forth in the consolidated financial statements on pages 122 to 128 of this annual report.

## PRINCIPAL RISK AND UNCERTAINTIES

Our Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties directly and indirectly pertaining to our Group's business. The following are the key risks and uncertainties identified by our Group.

## REPORT OF THE DIRECTORS

### **Our integrated systems are provided on a project basis. Such projects are not recurring in nature and our future business depends on our continuing success in securing contracts**

For the Year, approximately HK\$220.0 million (2024: approximately HK\$275.4 million) of our revenue was generated from our system integration projects, representing approximately 53.1% (2024: 62.6%) of our total revenue. Our Directors believe that the competition in the system integration industry is intense and our ability to secure contracts is one of the critical factors that is important to our success. Our success requires us to maintain good relationships with our existing customers and to develop new relationship with potential customers. Our integrated systems are provided on a project basis and our customers may subsequently engage us in enhancement works or conducting upgrades for the systems integrated by us in previous projects. Our customers may also engage us to integrate new systems after the retirement of outdated systems. However, there is no assurance that the customers will continue to provide us with the new businesses after completion of our projects. In the event that we are unable to succeed in securing existing customers and obtaining sufficient number of recurring and/or new system integration contracts, our competitive advantage may be weakened.

### **We may not be able to keep up with rapid technological changes and may be driven out of competition**

The system integration industry is characterised by rapidly changing technology, evolving industry standards, frequent introductions and enhancements of new products and services, and changing customer demands.

The introduction of new technology and the emergence of new industry standards may render our services to be obsolete and uncompetitive. Accordingly, our future success will depend on our ability to adapt to rapidly changing technologies and continually improving the know-how of our staff in response to evolving demands of the market place. Failing to adapt to such changes would have a material adverse effect on our business.

## **ENVIRONMENTAL POLICY**

Environmental policy is set out in the “Environmental, Social and Governance Report” (“ESG Report”), which will be published on the websites of the Company and of the Stock Exchange by the end of April 2026.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, our Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of our Group during the Year.

# REPORT OF THE DIRECTORS

## KEY RELATIONSHIPS

### Employees

Our Group recognises employees as our valuable assets. We provide competitive remuneration package to attract, motivate and retain appropriate and suitable personnel to serve our Group. We have also adopted an annual review system to assess the performance of our staff, which forms the basis of our decisions with respect to salary raises and promotions.

### Customers

Owing to the fact that our system integration can be applied to various industries, we have a diverse base of customers ranging from small and medium enterprises to multinational corporations and government-owned entities. We will therefore endeavor to accommodate their demands for our services to the extent our resources allow in order to capture more opportunities for larger scale projects in the future.

### Suppliers and subcontractors

Our Group encompasses working relationships with suppliers and subcontractors to meet our customers' needs in an effective and efficient manner. Our Group has set up an approved list of suppliers and we select suppliers based on our past experience working with them, their reputation in the industry, specification of their hardware and software components, and quality of their after sales service and price.

## MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

For the Year, our largest customer accounted for approximately 6.8% (2024: 11.2%) of our total revenue, while the percentage of our total revenue attributable to our five largest customers in aggregate was approximately 24.2% (2024: 27.4%).

For the Year, our largest supplier accounted for approximately 12.1% (2024: 6.5%) of our total costs of hardware and software component incurred, while the percentage of our total costs of hardware and software component incurred attributable to our five largest suppliers in aggregate was approximately 24.8% (2024: 26.3%).

For the Year, our largest subcontractor amounted to approximately 3.6% (2024: 34.2%) of our total subcontracting charges incurred, while the percentage of our subcontracting charges incurred attributable to our five largest subcontractors in aggregate was approximately 12.7% (2024: 61.4%).

So far as the Company is aware, as at the date of this annual report, none of the Directors, their close associates nor any Shareholders (which to the knowledge of the Directors owned more than 5% of the Company's share capital) had any interest in the Group's customers and suppliers as disclosed above.

## **REPORT OF THE DIRECTORS**

### **EMOLUMENT POLICY**

The Remuneration Committee will review and determine the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, performance and time devoted to our Group. The Directors may also receive options granted under the Share Option Scheme.

### **EQUITY-LINKED AGREEMENTS**

Save for the Share Option Scheme as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed during the Year.

### **SUMMARY OF FINANCIAL INFORMATION**

A summary of the published results, assets, liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on page 194 of this annual report. This summary does not form part of the consolidated financial statements for the Year.

### **PROPERTY, PLANT AND EQUIPMENT**

Details of the movements in property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

### **INTANGIBLE ASSETS**

Details of movements in intangible assets of the Group during the year are set out in note 18 to the consolidated financial statements.

### **SHARE CAPITAL**

Details of the movements in share capital of the Company during the year are set out in note 32 to the consolidated financial statements.

### **TAX RELIEF AND EXEMPTION**

The Company is not aware of any tax relief and exemption available to Shareholders by reason of their holding of the Company's securities.

### **RESERVES**

Details of movements in the reserves of the Company and of the Group during the year are set out in note 36 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

## REPORT OF THE DIRECTORS

### PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

### DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no retained profit available for distribution to Shareholders of the Company. However, in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the Articles, the share premium account of the Company of HK\$103,862,000 is subject to solvency test, available for distribution to Shareholders.

### SHARE OPTION SCHEME

The Company has Share Option Scheme which was approved and adopted by the written resolutions of the Shareholders of the Company passed on 21 June 2016. On 3 April 2023, 16 May 2023, 5 October 2023, 15 January 2024 and 23 January 2026, the Company offered to grant 19,200,000 share options, 4,800,000 share options, 5,800,000 share options, 4,800,000 share options and 5,400,000 share options, respectively, to those grantees including certain employees and one Director under the Share Option Scheme. Further details of the above grants of share options are set out in the Company's announcements dated 3 April 2023, 16 May 2023, 5 October 2023, 15 January 2024 and 23 January 2026, respectively.

Details of the Share Option Scheme are as follows:

1. Purpose of the Share Option Scheme	To provide an incentive or a reward to eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.
2. Eligible participants to the Share Option Scheme	the full-time and part-time employees, directors (including executive, non-executive and independent non-executive directors), suppliers of goods or services, customers, consultants, adviser, managers, officers or entities that provide research, development or other technological support or person who, in the sole discretion of the Board, has contributed or may contribute to the Company, the Company's subsidiaries and invested entity the Group holds any equity interest.
3. Total number of Shares available for issue under the Share Option Scheme	40,000,000 Shares (equivalent to 10% of the total number of Shares in issue on the listing date of the Company, being 8 July 2016).

## REPORT OF THE DIRECTORS

4. Maximum entitlement of each participant under the Share Option Scheme	<p>Not exceeding 1% of the total number of Shares in issue for the time being in any 12-month period. Any further grant of share option in excess of such limit must be separately approved by the Shareholders in general meeting.</p> <p>Any share options granted to a substantial shareholder or an independent non-executive Director or to any of their associates, in excess of 0.1% of the Shares in issue for the time being or with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, in the 12-month period up to and including the date of grant, are subject to Shareholders' approval in a general meeting.</p>
5. The period within which the option may be exercised by the grantee under the Share Option Scheme	<p>A period which shall not be more than ten (10) years after the offer date and subject to the provisions for early termination as contained in the Share Option Scheme.</p>
6. The vesting period of options granted under the Share Option Scheme	<p>Unless otherwise determined by the Board in accordance with the provisions of Chapter 23 of the GEM Listing Rules, the vesting period for options granted under the Share option Scheme shall not be less than 12 months.</p>
7. The amount payable on application or acceptance of the option and the period within which payments or calls must be made	<p>The payment or remittance of HK\$1.00 within 21 days from the offer date or within such other period of time as may be determined by the Board pursuant to the GEM Listing Rules.</p>
8. The basis of determining the exercise price	<p>Being determined by the Board and shall be at least the highest of:</p> <ul style="list-style-type: none"><li>(a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the offer date;</li><li>(b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the offer date; and</li><li>(c) the nominal value of a Share on the offer date.</li></ul>
9. The remaining life of the Share Option Scheme	<p>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 Share Option Scheme is approximately 1 year from the date of this annual report.</p>

## REPORT OF THE DIRECTORS

A summary of the movement of share options during the Year are as follows:

Grantees	Date of Grant	Vesting period	Exercise period	Weighted average closing price <sup>(7)</sup> HK\$	Exercise price per Share HK\$	Number of share options				
						Granted at the date of Grant	Outstanding as at 1 January 2025	Granted during the Year	Lapsed during the Year	Outstanding as at 31 December 2025
Executive Director (resigned on 11 June 2025)										
Cheung Ting Pong	16 May 2023	16 May 2023 to 15 May 2024	16 May 2024 to 15 May 2033	0.520	0.810 <sup>(1)</sup>	4,800,000	4,800,000	-	(4,800,000)	-
Employee(s)										
Other Employees	3 April 2023	3 April 2023 to 2 April 2024	3 April 2024 to 2 April 2033	0.445	0.656 <sup>(2)</sup>	19,200,000	4,800,000	-	-	4,800,000
Other Employees	5 October 2023	5 October 2023 to 4 October 2024	5 October 2024 to 4 October 2033	0.395	0.840 <sup>(3)</sup>	5,800,000	4,800,000	-	-	4,800,000
Other Employee	15 January 2024	15 January 2024 to 14 January 2025	15 January 2025 to 14 January 2034	0.445	0.600 <sup>(4)</sup>	4,800,000	4,800,000	-	-	4,800,000
<b>Total</b>							19,200,000	-	4,800,000	14,400,000

### Notes:

- (1) The closing price of the Company's share immediately before the date (16 May 2023) on which the share options were granted was HK\$0.810 per Share without performance target attached.
- (2) The closing price of the Company's share immediately before the date (3 April 2023) on which the share options were granted was HK\$0.640 per Share without performance target attached.
- (3) The closing price of the Company's Share immediately before the date (5 October 2023) on which the share options were granted was HK\$0.810 per Share without performance target attached.
- (4) The exercise price of the lapsed options was HK\$0.656 per Share.
- (5) The exercise price of the lapsed options was HK\$0.826 per Share.
- (6) The closing price of the Company's Share immediately before the date (15 January 2024) on which the share options were granted was HK\$0.520 per Share. There was a performance target attached, the grantee is subject to the performance target to be achieved by the grantee that the profit before tax of Future Data Space Limited, a wholly owned subsidiary of the Company, for the financial year ended 31 December 2024 shall be not less than RMB3,000,000.
- (7) The weighted average closing price of the Shares immediately before the date of the share options are vested.

Details of the fair value of share options at the date of grant and the accounting standard and policy adopted of Share Option Scheme during the Year are set out in note 34 to the consolidated financial statements of this annual report.

During the Year, there were a total of 4,800,000 share options forfeited (2024: 3,400,000), no share option was exercised (2024: Nil) and 14,400,000 share option was exercisable (2024: 14,400,000).

## REPORT OF THE DIRECTORS

The number of shares that may be issued in respect of the share options granted under the Share Option Scheme of the Company during the Year (being 14,400,000 shares) divided by the weighted average numbers of Shares in issue for the Year (being 548,313,000 shares) (excluding treasury shares) was approximately 2.46%.

The number of share options available for grant under the scheme mandate at the beginning and the end of the year ended 31 December 2025 was 5,400,000 respectively.

As at 31 December 2025, 5,400,000 remaining Shares will be available for future grant under the existing scheme mandate limit of the Share Option Scheme.

On 23 January 2026, 5,400,000 share options have been granted to a grantee.

As at the date of this annual report, being 27 March 2026, none of Shares available for issue under the Share Option Scheme 2016, representing approximately 0% of the 550,680,000 Shares in issue as at the date of this annual report.

### DIRECTORS

The composition of the Board during the Year and up to the date of this annual report are as follows:

#### Executive Directors

Ms. Tuen Hei Ching (*appointed as an Executive Director on 11 June 2025*)

Mr. Cheung Ting Pong (*resigned from Executive Director, the Vice Chairman of the Board and the Chief Executive Officer on 11 June 2025*)

Mr. Lee Seung Han

#### Non-executive Director

Ms. Tao Hongxia (*Chairlady*)

#### Independent non-executive Directors

Mr. Chan Kin Ming

Mr. Lam Chi Cheung Albert

Mr. Leung Louis Ho Ming

In accordance with the Articles, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Shareholders after his/her appointment and shall be subject to re-election at such general meeting. Any Director appointed by the Board as an addition to the Board shall hold office until the next following annual general meeting and shall be eligible for re-election.

## REPORT OF THE DIRECTORS

In accordance with Articles 84(1) and 84(2) of the Articles, Mr. Lam Chi Cheung Albert and Mr. Leung Louis Ho Ming shall retire at the forthcoming. In addition, each of Ms. Tuen Hei Ching, Mr. Bai Yicong and Dr. Liu Xiao who have been appointed by the Board on 11 June 2025, 2 April 2026 and 8 April 2028, respectively, shall hold office until the conclusion of the forthcoming AGM pursuant to Article 83(3) of the Articles. Except Mr. Leung Louis Ho Ming, above other retiring Directors, being eligible, will offer themselves for re-election at the AGM.

### **DIRECTORS' SERVICE CONTRACTS**

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

### **DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the Directors and the senior management of the Group are set out under the section headed "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" in this annual report.

### **EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS**

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 16 to the consolidated financial statements of this annual report.

No forfeited contribution under retirement benefit schemes is available to reduce the contribution payable in future years.

### **DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

Save for amount due to a shareholder and non-controlling interest in note 27 and loans from shareholders disclosed in note 25 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

### **MANAGEMENT CONTRACTS**

During the Year, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of the business of the Company.

## REPORT OF THE DIRECTORS

### DIRECTORS' RIGHT TO ACQUIRE SHARES

Other than as disclosed in the paragraph headed "Disclosure of Interests" below and "Share Option Scheme" in note 34 to the consolidated financial statements of this annual report, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

### DISCLOSURE OF INTERESTS

#### Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 December 2025, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules are as follows:

#### Long Positions in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held	Approximate percentage of issued share capital <sup>(2)</sup>
Ms. Tao Hongxia <sup>(1)</sup> ("Ms. Tao")	Interest in controlled corporation	192,411,750	34.94%

Notes:

- (1) Gorgeous Real Investment Holding Limited ("Gorgeous Real") held 192,411,750 Shares of the Company and which is wholly owned by Ms. Tao.
- (2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 December 2025 (i.e. 550,680,000 Shares).

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

## REPORT OF THE DIRECTORS

### Substantial Shareholders' Interests in the Shares and Underlying Shares

As at 31 December 2025, so far as known to the Directors, the following persons (not being Directors or chief executive of the Company) had or were deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO who, are directly or indirectly interested in 5% or more of the Shares.

### Long Positions in the Shares

Name of Shareholders	Capacity/Nature of interest	Number of Shares held	Approximate percentage of issued share capital <sup>(4)</sup>
Gorgeous Real <sup>(1)</sup>	Beneficial owner	192,411,750	34.94%
Variant Wealth <sup>(2)</sup>	Beneficial owner	50,000,000	9.07%
Mr. Tao Guolin <sup>(2)</sup> ("Mr. Tao")	Beneficial owner/Interest in controlled corporation	72,917,327	13.24%
Ms. Han Lerong <sup>(3)</sup> ("Ms. Han")	Interest of spouse	72,917,327	13.24%

Notes:

- (1) Gorgeous Real held 192,411,750 Shares of the Company and which is wholly owned by Ms. Tao.
- (2) Variant Wealth held 50,000,000 Shares of the Company and which is wholly owned by Mr. Tao. Mr. Tao is deemed to be interested in 50,000,000 Shares of the Company held by Variant Wealth.
- (3) Ms. Han is the spouse of Mr. Tao. Ms. Han is deemed to be interested in all the Shares in which Mr. Tao is interested under Part XV of the SFO.
- (4) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 December 2025 (i.e. 550,680,000 Shares).

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, who are directly or indirectly interested in 5% or more of the Shares.

### INTEREST IN COMPETING BUSINESS

During the Year, none of the Directors or the controlling Shareholders or their respective close associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

## REPORT OF THE DIRECTORS

### CONNECTED TRANSACTION

During the Year, the Group has not entered into any connected transactions.

### RELATED PARTY TRANSACTION

Details of the related party transactions undertaken in the ordinary course of business by the Group during the Year are set out in note 38 to the consolidated financial statements to this annual report.

The Company has complied with the applicable requirements under Chapter 20 of the GEM Listing Rules in respect of such connected transaction.

### PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

During the Year, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such listed securities.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as required under the GEM Listing Rules during the Year and up to the date of this annual report.

### CONTRACTS AND RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

During the Year, no contract of significance or contract of significance for the provision of services was entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries.

### CLOSURE OF REGISTER OF MEMBERS

#### For attending and voting at the annual general meeting

The forthcoming AGM is scheduled to be held on 27 May 2026 (the "2026 AGM"). For the purpose of determining those Shareholders who are entitled to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Thursday, 21 May 2026 to Wednesday, 27 May 2026 (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, 20 May 2026.

## REPORT OF THE DIRECTORS

### USE OF PROCEEDS FROM THE PLACING

#### Placing of new shares under general mandate took place on 24 August 2023

As disclosed in the Company's announcements dated 6 July 2023, 27 July 2023 and 24 August 2023 respectively, the conditions set out in the placing agreement have been fulfilled and completion of the placing took place on 24 August 2023, where all the 66,005,000 placing Shares have been successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.79 per placing Share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing (after deduction of commission and other expenses of the placing) amounted to approximately HK\$51.70 million and were used as follows:

	Planned use of net proceeds from 24 August 2023 up to 31 December 2025 HK\$ million	Actual use of net proceeds up to 31 December 2025 HK\$ million
Repayment of the Group's indebtedness	15.00	15.00
Exploring business opportunities and/or investment in business(es) or the latest technologies should suitable opportunities arise	32.70	32.70
Replenishing the working capital of the Group to support its business operations	4.00	4.00
Total	51.70	51.70

As at 31 December 2025, the Group had utilised the entire net proceeds from the placing of new Shares for (i) the repayment of the Shareholders' loan; (ii) investment in business(es) of the latest technologies; and (iii) working capital of the Group.

## REPORT OF THE DIRECTORS

### SUBSCRIPTION OF CONVERTIBLE NOTES UNDER GENERAL MANDATE TOOK PLACE ON 7 JUNE 2024

On 7 June 2024, the Company entered into a CN Subscription Agreement with 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 Convertible Notes in the aggregate principal amount of HK\$2,000,000 (the “**Subscription of CN**”). 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 for repayment on the anniversary of the issue date of the Convertible Note. 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.

The Company has on 17 June 2024, after all the conditions precedent to the CN Subscription Agreement have been fulfilled, issued the Convertible Notes in the aggregate principal amount of HK\$2,000,000 to Mr. Huang.

### TRANSFER OF THE CONVERTIBLE NOTES

On 9 June 2025, the Company received a form of transfer (the “**Form of Transfer**”) from Mr. Huang Zhenxi (“**Mr. Huang**”), the original bondholder, in relation to the transfer of the Convertible Notes to Mr. Guo Hongjing (“**Mr. Guo**”), an independent third party. Subsequently, the Convertible Notes was transferred to Mr. Guo.

### CONVERSION OF THE CONVERTIBLE NOTES

On 31 July 2025, the Company received a conversion notice from Mr. Guo in relation to the exercise of the conversion rights attached to the Convertible Notes to convert the Convertible Notes in the principal amount of HK\$2,000,000 into 4,000,000 conversion shares at the conversion price of HK\$0.5 (the “**Conversion**”). Accordingly, on 4 August 2025, 4,000,000 conversion shares, representing approximately 0.73% of the total number of issued Shares immediately before the Conversion and approximately 0.73% of the total number of issued Shares as enlarged by the issue of the conversion shares after the Conversion, were allotted to Mr. Guo under the relevant general mandate in accordance with the terms and conditions of the Convertible Notes. The conversion shares shall rank pari passu with, and carry the same rights as, the other Shares in issue as at the date of the allotment and among themselves in all respects (including the rights to dividends).

## REPORT OF THE DIRECTORS

### EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before the Conversion; and (ii) immediately after the Conversion and as at the date of this annual report is as follows:

	Immediately before the Conversion		Immediately after the Conversion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Gorgeous Real Investment Holding Limited <sup>(1)</sup>	192,411,750	35.20	192,411,750	34.94
Variant Wealth Investment Development Limited <sup>(2)</sup>	50,000,000	9.15	50,000,000	9.08
Mr. Tao Guolin ("Mr. Tao") <sup>(2)</sup>	22,917,327	4.19	22,917,327	4.16
Mr. Guo	14,270,000	2.61	18,270,000	3.32
Public Shareholders	267,080,923	48.86	267,080,923	48.50
Total	546,680,000	100.00	550,680,000	100.00

Notes:

- (1) Gorgeous Real Investment Holding Limited held 192,411,750 Shares of the Company and which is wholly owned by Ms. Tao Hongxia.
- (2) Variant Wealth Investment Development Limited held 50,000,000 Shares of the Company and which is wholly owned by Mr. Tao. Mr. Tao is deemed to be interested in 50,000,000 Shares of the Company held by Variant Wealth Investment Development Limited.

## REPORT OF THE DIRECTORS

### PERMITTED INDEMNITY PROVISIONS

Under the Articles, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, cost, charges, losses, damages and expenses incurred or sustained by him as a Director provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty attached to him. The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

### ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

As a data technology service provider in South Korea and Hong Kong, the Group actively adheres to the enterprises' environmental and social responsibilities. We are mindful of our social responsibility and commitment in engaging our stakeholders to build a greener future.

Discussions on the Company's environmental, social, and governance practices, relationships with stakeholders and compliance with relevant laws and regulations which have a significant impact on the Company are contained in the sustainability review in the ESG Report, which will be published on the websites of the Company and of the Stock Exchange by the end of April 2025.

### AUDITOR

Prism was appointed as the auditor of the Company with effect from 14 February 2025 to fill the casual vacancy following the resignation of RSM as auditor of the Company with effect from 20 January 2025 as the Company and RSM could not reach a consensus on the audit fee for the financial year ended 31 December 2024. RSM was appointed as the auditor of the Company on 30 June 2023 to fill the casual vacancy following the resignation of BDO Limited with effect from 13 June 2023. Save as disclosed above, there has been no other change of auditors for the preceding three years.

The consolidated financial statements of the Group for the Year have been audited by Prism, who will retire at the forthcoming AGM and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Prism as the auditor of the Company will be proposed at the forthcoming 2026 AGM.

### MATERIAL EVENTS AFTER THE REPORTING PERIOD

#### Termination of 2016 Share Option Scheme

The 2016 Share Option Scheme (the "2016 Scheme") was approved by shareholders by way of ordinary resolution passed at the general meeting held on 21 June 2016, with an effective term of 10 years from its adoption date and shall expire on 20 June 2026.

## REPORT OF THE DIRECTORS

Given that the overall mandate limit under the 2016 Scheme has been fully utilised, the Board proposed to terminate the operation of the 2016 Scheme. An ordinary resolution in respect of the termination of the 2016 Scheme was duly approved and passed at the Extraordinary General Meeting of the Company held on 17 March 2026.

Upon such termination, no further share options shall be granted under the 2016 Scheme. Notwithstanding the termination arrangement, all outstanding unexercised share options granted under the 2016 Scheme prior to the date of termination shall remain valid, effective and exercisable in full compliance with the provisions of the 2016 Scheme and the GEM Listing Rules.

As at the Latest Practicable Date, the 2016 Scheme Mandate Limit has been used up entirely and the total number of share options outstanding under the 2016 Share Option Scheme was 19,800,000, which represents approximately 3.60% of the issued shares of the Company. Details of such outstanding share options are as follows:

Name and/or category of grantee	Date of grant	Number of outstanding or unexercised share options under the 2016 Share Option Scheme as at the Latest Practicable Date	Exercise Period	Subscription price per Share (HK\$)
An employee	3 April 2023	4,800,000	3 April 2024 to 2 April 2033	0.656
Cheung Ting Pong (former executive Director resigned on 11 June 2025 and remained as advisor of the Company)	16 May 2023	4,800,000	16 May 2024 to 15 May 2033	0.810

## REPORT OF THE DIRECTORS

Name and/or category of grantee	Date of grant	Number of outstanding or unexercised share options under the 2016 Share Option Scheme as at the Latest Practicable Date	Exercise Period	Subscription price per Share (HK\$)
An employee	15 January 2024	4,800,000	15 January 2025 to 14 January 2034	0.600
An employee	23 January 2026	5,400,000	23 January 2027 to 22 January 2036	0.660

### Adoption of the 2026 Share Option Scheme

The Company has a share option scheme which was approved and adopted by ordinary resolution at an extraordinary general meeting of the Company held on 17 March 2026.

Details of the Share Option Scheme have been published in the Company's share option scheme announcement on the Stock Exchange of Hong Kong Limited on 25 February 2026.

On 31 March 2026, the Company offered to grant a total of 23,850,000 share options under the scheme to five grantees who are employee participants of the Group.

Subject to the terms and conditions of the grant, the grantees are entitled, upon exercise, to subscribe for a total of 23,850,000 ordinary shares of the Company.

After the above grant of Share Options, 31,218,000 remaining Shares will be available for future grant under the existing scheme mandate limit of the Share Option Scheme.

On Behalf of the Board

**Tuen Hei Ching**  
*Executive Director*

27 March 2026

# INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF FUTURE DATA GROUP LIMITED  
*(Incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Future Data Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 74 to 193, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

1. Revenue recognition from contracts for system integration;
2. Impairment assessment on trade receivables and contract assets; and
3. Impairment assessment of goodwill and intangible assets.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>1. Revenue recognition from contracts for system integration</b></p> <p><i>Refer to notes 4(n), 5, 6 and 7 to the consolidated financial statements</i></p> <p>The Group recognised revenue of approximately HK\$219,922,000 related to the Group’s revenue from contracts for system integration for the year ended 31 December 2025.</p> <p>Revenue from contracts for system integration involves a number of projects and is recognised under the input method which requires estimation made by management for each project based on the following:</p> <ul style="list-style-type: none"> <li>– Budgeted contract costs; and</li> <li>– Expected cost to complete the contracts</li> </ul> <p>We have identified this as a key audit matter because revenue is one of the key performance indicators of the Group and because of its significance to the consolidated financial statements and the judgement required in applying the input method for recognising revenue from contracts for system integration and cybersecurity services.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>– Understanding and evaluating the design and implementation of key controls over revenue recognition, and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;</li> <li>– Assessing the appropriateness of the Group’s revenue recognition policy under the requirements of HKFRS 15 by inspecting a sample of representative contracts with customers;</li> <li>– Selecting samples of incomplete contracts as at year end and checked calculation of significant components of budgeted contract costs to supporting documents such as purchase orders of equipment and contracts with subcontractors;</li> <li>– Selecting samples of completed contracts during the year and checked the historical reliability of the budgeted contract costs; and</li> <li>– Re-performing on a sample basis the calculation of revenue recognised during the year based on the input method.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p data-bbox="284 560 826 625"><b>2. Impairment assessment on trade receivables and contract assets</b></p> <p data-bbox="336 664 826 728"><i>Refer to notes 4(k), 5, 22, 23(a) and 42(a) to the consolidated financial statements</i></p> <p data-bbox="336 767 826 1381">The gross trade receivables and contract assets amounted to approximately HK\$76,597,000 and HK\$3,813,000, with related impairment allowances amounted to approximately HK\$22,047,000 and nil respectively, as of 31 December 2025. In performing an impairment assessment on trade receivables, management considers the credit history including default or delay in payments, settlement records, subsequent settlements and ageing analysis of the trade receivables, and also forward-looking analysis. The Group determined the expected credit loss rates of contract assets based on those rates applied to trade receivables as contract assets and trade receivables are from the same customer bases.</p> <p data-bbox="336 1425 826 1662">We have identified this as a key audit matter because the assessment of impairment for trade receivables and contract assets involves significant management judgements and estimates on the amount of expected credit losses at the reporting date.</p>	<p data-bbox="849 560 1141 592">Our procedures included:</p> <ul style="list-style-type: none"> <li data-bbox="849 631 1396 901">– Understanding and evaluating the design and implementation of key controls which govern credit control, debt collection and estimate of expected credit losses, and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;</li> <li data-bbox="849 944 1396 1106">– Obtaining an understanding of the Group's credit risk management and practices, and assessed the Group's impairment provision policy in accordance with the requirements of HKFRS 9;</li> <li data-bbox="849 1149 1396 1353">– Assessing, on a sample basis, whether items in the trade receivables ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with the relevant invoices;</li> <li data-bbox="849 1397 1396 1871">– Assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances; and</li> <li data-bbox="849 1914 1396 2009">– Assessing the adequacy of the related disclosures in consolidated financial statements.</li> </ul>

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>3. Impairment assessment of goodwill and intangible assets</b></p> <p><i>Refer to notes 4(c), 4(f), 18 and 19 to the consolidated financial statements</i></p> <p>As at 31 December 2025, the Group had carrying amount goodwill and intangible assets of approximately HK\$2,917,000 and HK\$6,131,000 respectively, allocated to the cash-generating units ("CGUs") of the provision of Metaverse related services (the "Metaverse CGU").</p> <p>Goodwill is tested for impairment annually and intangible assets with finite useful lives are test for impairment whenever indications of impairment was identified.</p> <p>Management had assessed goodwill and intangible assets for potential impairment by comparing the carrying amount of the CGU to which goodwill and intangible assets with finite useful lives are test for impairment intangible assets have been allocated with the recoverable amount determined by assessing the value-in-use by preparing a discounted cash flow forecast.</p> <p>Impairment loss on goodwill to the Metaverse CGU of approximately HK\$6,308,000 was recognised and no impairment was recognised on intangible assets during the year ended 31 December 2025.</p> <p>Assessment of potential impairment of goodwill and intangible assets as a key audit matter because the carrying values of goodwill and intangible assets are material to the consolidated financial statements and the preparation of discounted cash flow forecast involves the exercise of significant management judgement, in particular in forecasting revenue growth and operating profit and in determining an appropriate discount rate.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>- Understanding and evaluating the design and implementation of key controls for the impairment assessment process for goodwill and intangible assets allocated to the Metaverse CGU, and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors;</li> <li>- Evaluating the outcome of prior period assessment of impairment to assess the effectiveness of management's estimation process;</li> <li>- Evaluating management's cash flow forecast by comparing the assumptions adopted by management and by comparing key assumptions and estimates with relevant underlying documentation, which included comparing future revenue growth and operating profit with historical data of CGU and comparing components of the discount rate with market data;</li> <li>- Engaging an auditor's expert to assess the appropriateness of the valuation approach and methodology, the accuracy of the calculations in the valuation models; and the discount rate applied in the cash flow forecast was within the range adopted by other companies in the same industry; and</li> <li>- Performing sensitivity analysis on the discount rate and long-term growth rate applied by management in the cash flow forecast to assess the impact of changes in these key assumption on the conclusion reached in management's impairment assessment and considering whether there were any indicators of management bias in the assumption adopted.</li> <li>- Assessing the adequacy of the related disclosures in consolidated financial statements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGE WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charge with governance are responsible for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charge with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charge with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chin Wang Leung.

**Prism Hong Kong Limited**  
Certified Public Accountants  
Chin Wang Leung  
Practising Certificate Number: P07806  
Hong Kong

27 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Continuing operations</b>			
Revenue	7	414,144	437,639
Cost of services		(379,833)	(393,819)
<b>Gross profit</b>		<b>34,311</b>	<b>43,820</b>
Other income, net	8	231	2,349
Provision for impairment of trade receivables, net	42(a)	(8,108)	(338)
Impairment of goodwill	19	(6,308)	(6,741)
Selling and administrative expenses		(59,330)	(59,568)
Finance costs	9	(701)	(449)
Loss before income tax from continuing operations	10	(39,905)	(20,927)
Income tax credit/(expense)	12	228	(118)
<b>Loss for the year from continuing operations</b>		<b>(39,677)</b>	<b>(21,045)</b>
<b>Discontinued operation</b>			
Profit for the year from discontinued operation	14	–	3,252
Loss for the year		(39,677)	(17,793)
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company			
– from continuing operations		(39,195)	(19,450)
– from discontinued operation		–	3,007
		(39,195)	(16,443)
Non-controlling interests			
– from continuing operations		(482)	(1,595)
– from discontinued operation		–	245
		(482)	(1,350)
		(39,677)	(17,793)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Other comprehensive (expense)/income for the year</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement effects of defined benefit obligations		(434)	(673)
Deferred tax credit	29	91	141
Recognition of actuarial losses on defined benefit obligations	30	(343)	(532)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		2,632	(17,473)
<b>Total other comprehensive income/(expense), net of tax</b>		<b>2,289</b>	<b>(18,005)</b>
<b>Total comprehensive expense for the year</b>		<b>(37,388)</b>	<b>(35,798)</b>
<b>Total comprehensive (expense)/income attributable to:</b>			
Owners of the Company			
– from continuing operations		(36,906)	(37,455)
– from discontinued operation		–	3,007
		(36,906)	(34,448)
Non-controlling interests			
– from continuing operations		(482)	(1,595)
– from discontinued operation		–	245
		(482)	(1,350)
		(37,388)	(35,798)
<b>Loss per share attributable to owners of the Company</b>	15		
From continuing and discontinued operations			
– Basic and diluted (HK cents per share)		(7.15)	(3.01)
From continuing operations			
– Basic and diluted (HK cents per share)		(7.15)	(3.56)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	25,379	25,279
Intangible assets	18	6,131	8,361
Goodwill	19	2,917	9,225
Other financial assets	20	4,256	3,945
Rental and other deposits		521	386
Prepayments	22	5	21
Defined benefit assets	30	475	232
Deferred tax assets	29	5,525	4,567
		45,209	52,016
<b>Current assets</b>			
Inventories	21	1,277	476
Trade and bills receivables and other receivables	22	69,019	61,568
Contract assets	23(a)	3,813	1,347
Prepayments	22	343	451
Tax recoverable		202	182
Fixed bank deposits		52,449	22,982
Cash and cash equivalents		77,136	81,807
		204,239	168,813
<b>Current liabilities</b>			
Trade and other payables	24	103,985	57,263
Contract liabilities	23(b)	2,981	148
Amount due to a shareholder	27	1,376	1,376
Amount due to a non-controlling interest	27	188	188
Loans from shareholders	25	4,789	–
Loan from the ultimate holding company	26	9,780	–
Lease liabilities	31(b)	1,675	1,420
Convertible notes	28	–	2,026
Derivative components embedded in convertible notes	28	–	25
		124,774	62,446
<b>Net current assets</b>		<b>79,465</b>	<b>106,367</b>
<b>Total assets less current liabilities</b>		<b>124,674</b>	<b>158,383</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities	31(b)	1,907	1,211
Loans from shareholders	25	4,890	5,800
		<b>6,797</b>	<b>7,011</b>
<b>Net assets</b>		<b>117,877</b>	<b>151,372</b>
<b>EQUITY</b>			
Share capital	32	5,507	5,467
Reserves		111,813	145,962
<b>Equity attributable to owners of the Company</b>		<b>117,320</b>	<b>151,429</b>
Non-controlling interests		557	(57)
<b>Total equity</b>		<b>117,877</b>	<b>151,372</b>

Approved by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Ms. Tao Hongxia  
*Director*

Ms. Tuen Hei Ching  
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital (note 32) HK\$'000	Share premium* (note 36(a)) HK\$'000	Share-based payment reserve* (note 36(f)) HK\$'000	Shareholder contribution reserve* (notes 25 and 26) HK\$'000	Capital reserve* (note 36(b)) HK\$'000	Research and development reserve* (note 36(c)) HK\$'000	Foreign exchange reserve* (note 36(d)) HK\$'000	Legal reserve* (note 36(e)) HK\$'000	Retained earnings* HK\$'000	Equity attributable to owners of the Company HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2024	5,467	103,862	3,542	-	13,855	3,674	(19,987)	3,124	68,567	182,104	895	182,999
Loss for the year	-	-	-	-	-	-	-	-	(16,443)	(16,443)	(1,350)	(17,793)
Recognition of actuarial losses on defined benefit obligations	-	-	-	-	-	-	-	-	(532)	(532)	-	(532)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(17,473)	-	-	(17,473)	-	(17,473)
Total comprehensive expense	-	-	-	-	-	-	(17,473)	-	(16,975)	(34,448)	(1,350)	(35,798)
Recognition of equity-settled share-based payments (note 34)	-	-	3,773	-	-	-	-	-	-	3,773	-	3,773
Disposal of subsidiaries (note 33)	-	-	-	-	-	-	-	-	-	-	398	398
At 31 December 2024 and 1 January 2025	5,467	103,862	7,315	-	13,855	3,674	(37,460)	3,124	51,592	151,429	(57)	151,372
Loss for the year	-	-	-	-	-	-	-	-	(39,195)	(39,195)	(482)	(39,677)
Recognition of actuarial losses on defined benefit obligations	-	-	-	-	-	-	-	-	(343)	(343)	-	(343)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	2,632	-	-	2,632	-	2,632
Total comprehensive expense	-	-	-	-	-	-	2,632	-	(39,538)	(36,906)	(482)	(37,388)
Recognition of equity-settled share-based payments	-	-	51	-	-	-	-	-	-	51	-	51
Issue of shares upon conversion of convertible bond	40	2,145	-	-	-	-	-	-	-	2,185	-	2,185
Disposal of subsidiaries (note 33)	-	-	-	-	-	-	-	-	-	-	1,096	1,096
Deemed contribution from a shareholder (note 25)	-	-	-	187	-	-	-	-	-	187	-	187
Deemed contribution from an ultimate holding company (note 26)	-	-	-	374	-	-	-	-	-	374	-	374
At 31 December 2025	5,507	106,007	7,366	561	13,855	3,674	(34,828)	3,124	12,054	117,320	557	117,877

\* The total of these balances represent "Reserves" in the consolidated statement of financial position.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax			
Continuing operations		(39,905)	(20,927)
Discontinued operation		–	3,252
		(39,905)	(17,675)
Adjustments for:			
Amortisation of intangible assets	10	2,230	2,230
Depreciation of property, plant and equipment and right-of-use assets	10	3,498	3,688
Loss of foreign exchange, net	10	180	39
Fair value gain on derivative financial instrument	8	–	(12)
Fair value gain on other financial assets	8	(134)	(91)
Finance costs	9	701	460
Loss on disposal of property, plant and equipment, net	8	1	–
Loss/(gain) on disposal of subsidiaries	33	2,076	(2,554)
Impairment of goodwill	19	6,308	6,741
Interest income	8	(1,398)	(1,127)
Provision for impairment of inventories	10	117	537
Provision for impairment of trade receivables, net	42(a)	8,108	338
Equity-settled share-based payments		51	3,773
Operating loss before working capital changes		(18,167)	(3,653)
(Increase)/decrease in inventories		(893)	2,314
Increase in rental and other deposits and trade and bills receivable and other receivables		(27,350)	(13,513)
(Increase)/decrease in contract assets		(2,392)	5,070
Decrease in prepayments		124	4,278
Increase/(decrease) in trade and other payables		56,563	(10,209)
Increase/(decrease) in contract liabilities		2,781	(13,446)
Decrease in net defined benefit assets		(677)	(303)
Cash generated from/(used in) operations		9,989	(29,462)
Income taxes paid		(522)	(190)
Interest received		1,398	1,127
Net cash generated from/(used in) operating activities		10,865	(28,525)

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(523)	(455)
Proceeds from disposals of property, plant and equipment		84	–
Net cash inflow arising on disposal of subsidiaries	33	20	1,522
Increase in fixed bank deposits		(28,422)	(11,766)
Net cash used in investing activities		(28,841)	(10,699)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New shareholders' loan obtained	39	5,000	–
New ultimate holding company's loan obtained		10,000	–
Repayment of principal portion of the lease liabilities		(1,876)	(1,757)
Repayment of shareholders loans		(1,190)	–
Proceeds on issue of convertible notes, net of transaction costs		–	1,918
Net cash generated from financing activities		11,934	161
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(6,042)</b>	<b>(39,063)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>81,807</b>	<b>122,708</b>
Effect of exchange rate changes		1,371	(1,838)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>77,136</b>	<b>81,807</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Bank and cash balances		77,136	81,807

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 1. GENERAL INFORMATION

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 Global Telecom Company Limited (“Global Telecom”), the Company’s indirect wholly-owned subsidiary, 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.

In the opinion of the directors of the Company, Gorgeous Real Investment Holding Limited, a company incorporated in the British Virgin Islands (“BVI”), is the immediate and ultimate holding company of the Company. Ms. Tao Hongxia (“Ms. Tao”) is the ultimate controlling party of the Company.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the 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”).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 2. BASIS OF PREPARATION (CONTINUED)

### (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 as disclosed in the material accounting policy information in note 4.

### (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 NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### (a) Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied for the following amendments to HKFRS Accounting Standard as issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standard in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and on the disclosure set out in these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

### (b) New and amendments to HKFRS Accounting Standards issued but not yet effective

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

Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

#### (b) New and amendments to HKFRS Accounting Standards issued but not yet effective (Continued)

##### *HKFRS 18 Presentation and Disclosure in Financial Statements*

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

### (a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances (please specify), appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (b) Business combinations

Acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits*, respectively;
- liabilities or equity instruments related to share-based payment arrangement of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (b) Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

### (c) Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (d) Property, plant and equipment

Property, plant and equipment (including right-of-use assets) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The useful lives are as follows:

Buildings	40 years	40 years
Leasehold improvements		Over the shorter of lease terms or 5 years
Equipment		4 to 5 years
Furniture and fixtures		5 years
Motor vehicles		5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (e) Leasing

#### The Group as lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (e) Leasing (Continued)

##### The Group as lessee (Continued)

##### Lease liabilities (Continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (e) Leasing (Continued)

#### The Group as lessee (Continued)

##### Right-of-use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets in "property, plant and equipment".

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable lease payment that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in "Selling and Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

When the Group obtains ownership of the underlying leased assets at the end of the lease term upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (e) Leasing (Continued)

#### The Group as lessee (Continued)

##### Lease modification

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

### (f) Intangible assets (other than goodwill)

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in business combination with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (f) Intangible assets (other than goodwill) (Continued)

#### Internally-generated intangible assets – research and development expenditure

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (f) Intangible assets (other than goodwill) (Continued)

##### Amortisation

The amortisation expense is recognised in profit or loss and included in administrative expenses. The useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Amortisation is provided on a straight-line basis over their useful lives as follows:

Metaverse technology	5 years
Software platforms	5 years
Reacquired rights	2 years

#### (g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value of inventories represents the estimated selling price less the estimated costs of completion and costs necessary to make the sale.

#### (h) Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position

#### (i) Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (j) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (j) Financial instruments (Continued)

#### Financial assets (Continued)

##### (i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset for the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the "Other income" line item (note 8).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (j) Financial instruments (Continued)

#### Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business
- combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item. Fair value is determined in the manner described in note 4(w).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (k) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses ("ECL") on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

#### Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (k) Impairment of financial assets (Continued)

#### Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) the debt instrument has a low risk of default, (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (k) Impairment of financial assets (Continued)

##### Significant increase in credit risk (Continued)

###### Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

###### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (k) Impairment of financial assets (Continued)

#### Significant increase in credit risk (Continued)

##### Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (k) Impairment of financial assets (Continued)

##### Significant increase in credit risk (Continued)

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entities.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### (l) Financial liabilities and equity instruments

##### Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (l) Financial liabilities and equity instruments (Continued)

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (1) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (2) held for trading, or (3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the 'other gains and losses' line item in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (l) Financial liabilities and equity instruments (Continued)

##### Financial liabilities at FVTPL (Continued)

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

##### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (m) Convertible notes

Convertible notes issued by the Group that contain both liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, both the liability and conversion option components are recognised at fair value.

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method.

When determining the classification of convertible notes (including the host liability and the related derivative financial instruments) as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group's own equity instruments as a result of exercise of conversion options by holders as settlement of the convertible bonds.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (n) Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (n) Revenue from contracts with customers (Continued)

#### Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The Group recognised revenue from the following major sources:

- provision of system integration and cybersecurity services
- provision of maintenance services
- provision of other services

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (n) Revenue from contracts with customers (Continued)

##### Provision of system integration

The Group provides system integration based on contracts entered into with customers before the commencement of the system integration (the "Projects"). The Projects involve the Group to source and integrate suitable hardware and software components and configure them into a compatible system in accordance with the requirements of the customers. Such projects comprise a single performance obligation because the project implementation by the Group to deliver the required system specified by the customers involve a number of processes each of which are highly interdependent and highly interrelated to each other. Since the project implementation is carried out in the customers' sites, the customers have control over the projects. These contracts therefore satisfy the criteria for category (ii) for recognising revenue over time during the project implementation. Accordingly, the revenue generated from the Projects is recognised over time using the input method (i.e. percentage of completion is established by reference to the costs incurred up to the reporting date as compared to the total costs to be incurred under the contracts except where this would not be representative of the stage of completion). The directors of the Company consider that input method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations under HKFRS 15.

##### Provision of maintenance services

The Group provides maintenance services based on contracts entered with customers. Under the terms of the contracts, the customers simultaneously receive and consume the benefits as and when the Group provides these services. Accordingly, the Group recognises revenue from maintenance services over time on a straight-line basis over the terms of the maintenance contracts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (n) Revenue from contracts with customers (Continued)

#### Provision of other services

If the Group has a right to consideration from a customer in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

#### Warranties

For warranty included in the system integration contracts, the Group accounts for the warranty in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets unless the warranty provides the customer with a service in addition to the assurance that the system integration work complies with the agreed-upon specifications.

#### Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (n) Revenue from contracts with customers (Continued)

##### Contract costs

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs (i.e. sales commissions) as an asset if it expects to recover these costs.

The Group incurs costs including cost of hardware and software sourced from outside vendors, engineer cost and other costs of personnel directly engaged in the contracts and where applicable subcontracting cost and attributable overhead. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognised an asset for these costs only if they meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (o) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign exchange reserve (attributed to non-controlling interests as appropriate).

### (p) Borrowing costs

Borrowing costs, other than those directly attributable to the acquisition, construction or production of qualifying assets, are recognised in profit or loss in the period in which they are incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (q) Retirement benefits costs and termination benefits

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the consolidated statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income will not be reclassified to profit or loss. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

Defined benefit costs are categorised as:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (r) Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS Accounting Standard requires or permits their inclusion in the cost of an asset.

### (s) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (s) Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### (t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

### (u) Share-based payment transactions

#### Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium/other reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve/will be transferred to retained earnings/other reserve.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) **Impairment on property, plant and equipment, right-of-use assets, intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above)**

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Impairment on property, plant and equipment, right-of-use assets, intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above) (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (w) Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of goodwill and intangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Contracts for system integration

Revenue from contracts for system integration are recognised under the input method which requires estimation made by management. The Group's management estimates the contract costs, outcome and expected cost to complete the contracts based on the budgets prepared for the contracts. Because of the nature of the activities, management reviews and revises the estimates of both contract outcome and expected costs to complete in the budget prepared for each contract as the contract progresses. Any revisions to estimates of contract outcome and expected costs to completion would affect contract revenue recognition. Should expected costs to complete exceed contract revenue, a provision for contract loss would be recognised.

During the year ended 31 December 2025, the Group recognised revenue from contracts for system integration and cybersecurity services of approximately HK\$219,922,000 (2024: HK\$275,373,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Estimated impairment of trade and bills receivables and other receivables and contract assets

The impairment provisions for trade and bills receivables and other receivables and contract assets are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. At 31 December 2025, impairment loss of trade and bills receivables and other receivables and contract assets is HK\$8,108,000 (2024: HK\$338,000).

#### Estimated impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2025, the carrying amounts of goodwill and intangible assets are HK\$2,917,000 and HK\$6,131,000 (2024: HK\$9,225,000 and HK\$8,361,000) respectively, net of total accumulated impairment loss and accumulated amortization of HK\$6,308,000 and HK\$5,017,000 (2024: HK\$6,741,000 and HK\$2,787,000) respectively. Details of the recoverable amount calculation are disclosed in note 19.

#### Estimated current tax and deferred tax

Significant judgement is required in determining the amount of the provision for tax and the timing of payment of the related tax. Where the final tax outcomes are different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination is made.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Estimated impairment of property, plant and equipment (including right-of-use assets)

Property, plant and equipment (including right-of-use assets) are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amounts of property, plant and equipment (including right-of-use assets) were HK\$25,379,000 (2024: HK\$25,279,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 6. SEGMENT INFORMATION

The executive directors of the Company are the Group's chief operating decision-makers. Management has determined the operating segments based on the information reviewed by the executive directors for the purposes of allocating resources and assessing performance.

The executive directors review the performance of the Group mainly from the service perspective. The Group is organised into three segments engaged in:

- (i) System integration
- (ii) Maintenance services
- (iii) Cybersecurity services (discontinued operation in 2024)

The executive directors assess the performance of the operating segments based on a measure of gross profit of each segment, which is consistent with that of the consolidated financial statements. The revenue reported to the executive directors is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

There was no information regarding segment assets and liabilities provided to the executive directors as they do not use such information for the purpose of allocation of resources and segment performance assessment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 6. SEGMENT INFORMATION (CONTINUED)

The segment results are as follows:

#### (a) Business segments

For the year ended 31 December 2025

Continuing operations

	System integration HK\$'000	Maintenance services HK\$'000	Other services HK\$'000	Total HK\$'000
Total segments revenue	219,922	188,692	5,530	414,144
Revenue from external customers	219,922	188,692	5,530	414,144
Segment results	28,640	2,070	3,601	34,311
Other income, net				231
Provision for impairment of trade receivables, net				(8,108)
Impairment of goodwill				(6,308)
Selling and administrative expenses				(59,330)
Finance costs				(701)
Loss before income tax				(39,905)
Income tax credit				228
Loss for the year				(39,677)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 6. SEGMENT INFORMATION (CONTINUED)

#### (a) Business segments (Continued)

For the year ended 31 December 2024

##### Continuing operations

	System integration HK\$'000	Maintenance services HK\$'000	Other services HK\$'000	Total HK\$'000
Total segments revenue	275,373	151,169	11,710	438,252
Inter-segment revenue	–	–	(613)	(613)
Revenue from external customers	275,373	151,169	11,097	437,639
Segment results	(1,279)	38,437	6,662	43,820
Other income				2,349
Provision for impairment of trade receivables, net				(338)
Impairment of goodwill				(6,741)
Selling and administrative expenses				(59,568)
Finance costs				(449)
Loss before income tax (continuing operations)				(20,927)
Income tax expense				(118)
Loss for the year (continuing operations)				(21,045)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 6. SEGMENT INFORMATION (CONTINUED)

#### (b) Geographical information

The following table provides an analysis of the Group's revenue from external customers and non-current assets excluding other financial assets, rental and other deposits, defined benefit assets and deferred tax assets ("specified non-current assets").

	Revenue from external customers (by customers location)		Specified non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	5,530	11,096	11,128	21,810
Korea	408,614	426,543	23,304	21,076
	414,144	437,639	34,432	42,886
Discontinued operation	–	2,447	N/A	N/A
Consolidated total	414,144	440,086	N/A	N/A

The above specified non-current assets are analysed based on the principal places of the Group's business operations. The principal places of the Group's operations are Korea and Hong Kong. The Group regarded Korea as its place of domicile.

#### (c) Revenue from major customers

Revenue from major customer who have individually contributed to 10% or more of the total revenue of the Group are disclosed as follow:

	2025 HK\$'000	2024 HK\$'000
System integration and maintenance services segment		
Customer A	N/A*	49,316

\* This customer individually contributed less than 10% of the total revenue of the Group during the year ended 31 December 2025.

For the year ended 31 December 2025, no individual customer contributed to 10% or more than 10% of the total revenue of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 7. REVENUE

Revenue mainly represents income from provision of system integration, maintenance services and cybersecurity services during the reporting period. An analysis of the Group's revenue by category for the year ended 31 December 2025 and 2024 were as follows:

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

	2025 HK\$'000	2024 HK\$'000
<b>Revenue from customers and recognised over time</b>		
– Contract revenue from provision of system integration	219,922	275,373
– Contract revenue from provision of maintenance services	188,692	151,169
– Contract revenue from provision of other services	5,530	11,097
– Contract revenue from provision of cybersecurity services	–	2,447
	<b>414,144</b>	<b>440,086</b>
Representing:		
Continuing operations	414,144	437,639
Discontinued operation (note 14)	–	2,447
	<b>414,144</b>	<b>440,086</b>

System integration, maintenance services, other services and cybersecurity 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:

	2025 HK\$'000	2024 HK\$'000
Trade receivables (net of impairment) (note 22)	54,550	44,362
Contract assets (note 23(a))	3,813	1,347
Contract liabilities (note 23(b))	2,981	148

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 7. REVENUE (CONTINUED)

### (b) Disaggregation of revenue

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

	2025				2024				
	System integration HK\$'000	Maintenance services HK\$'000	Other services HK\$'000	Total HK\$'000	Continuing operations			Discontinued operation	Total HK\$'000
					System integration HK\$'000	Maintenance services HK\$'000	Other services HK\$'000	Cyber security services HK\$'000	
<b>Type of services</b>									
- Cloud infrastructure	213,971	187,359	-	401,330	269,982	149,026	-	-	419,008
- Security	5,951	1,333	-	7,284	5,391	2,143	-	2,447	9,981
- Others	-	-	5,530	5,530	-	-	11,097	-	11,097
<b>Total revenue from contracts with customers</b>	<b>219,922</b>	<b>188,692</b>	<b>5,530</b>	<b>414,144</b>	<b>275,373</b>	<b>151,169</b>	<b>11,097</b>	<b>2,447</b>	<b>440,086</b>
<b>Type of customers</b>									
- Public sector	155,780	175,718	-	331,498	168,320	129,138	-	-	297,458
- Private sector	64,142	12,974	5,530	82,646	107,053	22,031	11,097	2,447	142,628
<b>Total revenue from contracts with customers</b>	<b>219,922</b>	<b>188,692</b>	<b>5,530</b>	<b>414,144</b>	<b>275,373</b>	<b>151,169</b>	<b>11,097</b>	<b>2,447</b>	<b>440,086</b>
<b>Contract duration</b>									
- Within 12 months	186,518	96,235	5,530	288,283	265,781	71,878	11,097	2,447	351,203
- Over 12 months but less than 24 months	9,288	15,874	-	25,162	2,815	13,590	-	-	16,405
- Over 24 months	24,116	76,583	-	100,699	6,777	65,701	-	-	72,478
<b>Total revenue from contracts with customers</b>	<b>219,922</b>	<b>188,692</b>	<b>5,530</b>	<b>414,144</b>	<b>275,373</b>	<b>151,169</b>	<b>11,097</b>	<b>2,447</b>	<b>440,086</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 7. REVENUE (CONTINUED)

#### (c) Transaction price allocated to the remaining performance obligations

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

	2025 HK\$'000	2024 HK\$'000
Provision of system integration	64,697	75,733
Provision of maintenance services	81,250	74,404
	145,947	150,137

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\$145,947,000 (2024: HK\$150,137,000) allocated to the contracts under system integration and maintenance services as at 31 December 2025 will be recognised as revenue on or before 31 December 2028 (2024: on or before 31 December 2027).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 8. OTHER INCOME, NET

	2025 HK\$'000	2024 HK\$'000
<b>Continuing operations:</b>		
Interest income	1,398	1,127
Fair value gain on derivative financial instrument	–	12
Fair value gain on other financial assets	134	91
Loss on disposal of property, plant and equipment, net	(1)	–
Loss on disposal of subsidiaries, net (note 33)	(2,076)	–
Miscellaneous gains	776	1,119
	231	2,349

### 9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Effective interest expense on convertible notes	133	145
Interest on borrowings	192	152
Interest on lease liabilities (note 31(c))	145	163
Imputed interest on loan from a shareholder	77	–
Imputed interest on loan from the ultimate holding company	154	–
	701	460
<b>Representing:</b>		
Continuing operations	701	449
Discontinued operation (note 14)	–	11
	701	460

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 10. LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS

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

	2025 HK\$'000	2024 HK\$'000
Cost of inventories recognised as expenses	191,167	272,397
Provision for impairment of inventories	117	537
Employee costs (note 11) (note i)	92,412	82,279
Depreciation charge (note 17):		
– Owned property, plant and equipment	1,783	2,075
– Right-of-use assets	1,715	1,567
	3,498	3,642
Amortisation of intangible assets (note 18)	2,230	2,230
Auditor's remuneration		
– Audit services	855	950
– Non-audit services	60	–
	915	950
Research and development costs (note ii)	3,087	6,460
Subcontracting costs	135,703	73,040
Provision for impairment of trade receivables, net (note 42(a))	8,108	338
Impairment of goodwill	6,308	6,741
Interest on lease liabilities (note 9)	145	152
Fair value gain on derivative financial instrument (note 8)	–	(12)
Fair value gain on other financial assets (note 8)	(134)	(91)
Loss of foreign exchange, net	180	39
Short-term leases expenses (note 31(c))	287	438

Note i: For the year ended 31 December 2015, approximately HK\$52,846,000 (2024: HK\$45,345,000) of employee costs were included in cost of services.

Note ii: Research and development costs included employee costs of approximately HK\$nil (2024: HK\$1,620,000) for the year ended 31 December 2025 as disclosed above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 11. EMPLOYEE BENEFITS EXPENSE

	2025 HK\$'000	2024 HK\$'000
Employee costs (including directors) comprise:		
Wages and salaries		
– Charged to profit or loss	69,631	68,757
Contributions to defined contribution retirement plans	537	545
Defined benefit costs (note 30)	12,590	4,336
Equity-settled share-based payments	51	3,773
Other benefits	9,603	5,076
	92,412	82,487
Representing:		
Continuing operations	92,412	82,279
Discontinued operation	–	208
	92,412	82,487

### 12. INCOME TAX (CREDIT)/EXPENSE

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

	2025 HK\$'000	2024 HK\$'000
Current tax – South Korea		
Provision for the year	507	410
	507	410
Deferred tax (note 29)		
South Korea	(212)	(91)
Hong Kong	(523)	(201)
	(735)	(292)
Income tax (credit)/expense	(228)	118
Representing:		
Continuing operations	(228)	118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 12. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

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% (2024: 9.0% to 21.0%) on the estimated assessable profit of Global Telecom derived worldwide during the year ended 31 December 2025. The Korea Corporate Income Tax rates applicable to Global Telecom for the year ended 31 December 2025 are as follows:

- 9.0% (2024: 9.0%) on assessable profit up to the first KRW200 million (equivalent to approximately HK\$1.1 million for the year ended 31 December 2025 (2024: KRW200 million (equivalent to approximately HK\$1.1 million));
- 20.9% (2024: 20.9%) on assessable profit in excess of KRW200 million (equivalent to approximately HK\$1.1 million) for the year ended 31 December 2025 (2024: KRW200 million (equivalent to approximately HK\$1.1 million)) and up to KRW20 billion (equivalent to approximately HK\$106.1 million) for the year ended 31 December 2025 (2024: KRW20 billion (equivalent to approximately HK\$108.1 million)); and
- 23.1% (2024: 23.1%) on assessable profit in excess of KRW20 billion (equivalent to approximately HK\$106.1 million for the year ended 31 December 2025 (2024: KRW20 billion (equivalent to approximately HK\$108.1 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 12. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

The income tax (credit)/expense 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:

	2025 HK\$'000	2024 HK\$'000
Loss before income tax from continuing operations	(39,905)	(20,927)
Tax thereon at domestic rates applicable to profit or loss in the jurisdictions concerned	(3,886)	(2,326)
Tax effect of expenses not deductible for tax purposes	3,488	2,280
Tax effect of revenue not taxable for tax purposes	(423)	(313)
Tax effect of temporary differences not recognised	88	102
Tax effect of tax losses not recognised	–	598
Withholding tax on dividend declared by a subsidiary	507	173
Tax credit	–	(405)
Others	(2)	9
Income tax (credit)/expense	(228)	118

### 13. DIVIDENDS

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 14. 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. Cybersecurity services segment is classified as discontinued operation in accordance with HKFRS 5 in 2024.

The results and cash flow information of cybersecurity services segment for the year ended 31 December 2024 is presented as follows:

	2024 HK\$'000
<b>Revenue</b>	2,447
Cost of services	(1,449)
<b>Gross profit</b>	998
Selling and administrative expenses	(289)
Finance costs	(11)
Profit before income tax from discontinued operation	698
Income tax expense	–
<b>Profit for the year after income tax from discontinued operation</b>	698
Gain on disposal of subsidiaries (note 33)	2,554
<b>Profit for the year from discontinued operation</b>	3,252

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 14. DISCONTINUED OPERATION (CONTINUED)

	2024
	HK\$'000
Profit for the year from discontinued operation include the following:	
Depreciation of property, plant and equipment	10
Depreciation of right-of-use assets	36
Employee benefits expense	208
<b>Cash flows from discontinued operation:</b>	
Net cash used in operating activities	(1,671)
Net cash used in financing activities	(41)
Net cash flows	(1,712)

The carrying amounts of Maximus Group at the date of disposal are disclosed in note 33.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 15. 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.

	2025 HK\$'000	2024 HK\$'000
<b>Loss</b>		
Loss for the year attributable to owners of the Company	(39,195)	(16,443)

	2025 Number '000	2024 Number '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	548,313	546,680

#### From continuing operations

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

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(39,195)	(16,443)
Less: (profit)/loss for the year from discontinued operation	–	(3,007)
Loss for the year from continuing operations for the purpose of basis and diluted loss per share	(39,195)	(19,450)

#### From discontinued operation

Basic and diluted loss per share for the discontinued operation is HK\$nil per share (2024: earnings of HK\$0.55 per share), based on the loss for the year from the discontinued operation of HK\$nil (2024: profit of HK\$3,007,000) 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 (2024: share options and convertible notes) as the exercise prices of those share options (2024: share options and convertible notes) were higher than the average market price for shares for the years ended 31 December 2025 and 2024. Diluted loss per share was the same as the basic loss per share for the years ended 31 December 2024 and 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 16. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

### (a) Directors' emoluments

Directors' emoluments are disclosed as follows:

For the year ended 31 December 2025

Note	Fees HK\$'000	Basic salaries, allowances and other benefits in kind	Contribution to retirement benefits schemes	Contribution to pension schemes	Discretionary bonuses	Share-based payments	Total emoluments
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Executive directors:</b>							
Mr. Lee Seung Han (i)	-	1,740	-	4,154	3	-	5,897
Mr. Cheung Ting Pong (ii)	333	-	5	-	-	51	389
Ms. Tuen Hei Ching (iv)	450	-	14	-	-	-	464
<b>Total</b>	<b>783</b>	<b>1,740</b>	<b>19</b>	<b>4,154</b>	<b>3</b>	<b>51</b>	<b>6,750</b>
<b>Non-executive director:</b>							
Ms. Tao (iii)	270	-	-	-	-	-	270
<b>Total</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270</b>
<b>Independent non-executive directors:</b>							
Mr. Chan Kin Ming	120	-	-	-	-	-	120
Mr. Lam Chi Cheung Albert	120	-	-	-	-	-	120
Mr. Leung Louis Ho Ming	120	-	-	-	-	-	120
<b>Total</b>	<b>360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 16. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

#### (a) Directors' emoluments (Continued)

For the year ended 31 December 2024

	Note	Fees HK\$'000	Basic salaries, allowances and other benefits in kind HK\$'000	Contribution to retirement benefits schemes HK\$'000	Contribution to pension schemes HK\$'000	Discretionary bonuses HK\$'000	Share-based payments HK\$'000	Total emoluments HK\$'000
<b>Executive directors:</b>								
Mr. Lee Seung Han	(i)	–	1,820	–	131	3	–	1,954
Mr. Cheung Ting Pong	(ii)	1,800	–	18	–	–	933	2,751
<b>Total</b>		<b>1,800</b>	<b>1,820</b>	<b>18</b>	<b>131</b>	<b>3</b>	<b>933</b>	<b>4,705</b>
<b>Non-executive director:</b>								
Ms. Tao	(iii)	240	–	–	–	–	–	240
<b>Total</b>		<b>240</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>240</b>
<b>Independent non-executive directors:</b>								
Mr. Chan Kin Ming		120	–	–	–	–	–	120
Mr. Lam Chi Cheung Albert		120	–	–	–	–	–	120
Mr. Leung Louis Ho Ming		120	–	–	–	–	–	120
<b>Total</b>		<b>360</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>360</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 16. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

#### (a) Directors' emoluments (Continued)

Notes:

- (i) Mr. Lee Seung Han was also the chief executive of the Company and his emoluments disclosed above included those for services rendered by him as chief executive for the year ended 31 December 2023. Mr. Lee Seung Han resigned as the chief executive of the Company on 17 April 2024.
- (ii) Mr. Cheung Ting Pong has been appointed as an executive director of the Company on 16 May 2023. Mr. Cheung Ting Pong has been appointed as the chief executive of the Company on 17 April 2024 and his emoluments disclosed above included those for services rendered by him as chief executive for the year ended 31 December 2024 and resigned from office as executive director of the Company on 11 June 2025.
- (iii) Ms. Tao has been re-designated as non-executive director on 17 April 2024.
- (iv) Ms. Tuen Hei Ching has been appointed as an executive director of the Company on 11 June 2025.
- (v) Salaries, allowances and other benefits paid to or for the executive directors are generally emoluments in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

#### (b) Directors' termination benefits

None of the directors of the Company received any termination benefits during the year ended 31 December 2025 (2024: Nil).

#### (c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025, the Company did not pay considerations to any third parties for making available directors' services (2024: Nil).

#### (d) Directors' material interests in transactions, arrangements and contracts

No significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 16. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

#### Five highest paid individuals

For the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group include 1 (2024: 2) directors. The emoluments paid to the remaining 4 (2024:3) individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	4,625	3,931
Contribution to pension schemes	4,374	278
Discretionary bonuses	591	110
	9,590	4,319

The emoluments of the above individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$1,000,001 to HK\$1,500,000	3	2
HK\$1,500,001 to HK\$2,000,000	–	1
HK\$5,500,001 to HK\$6,000,000	1	–

No emoluments were paid or payable by the Group to these employees or directors as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors waived or agreed to waive any emoluments during the year (2024: Nil).

#### Senior management emoluments

Emoluments paid or payable to members of senior management who are not directors were within the following bands:

	2025 Number of individuals	2024 Number of individuals
Nil to HK\$1,000,000	1	1

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 17. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK\$'000	Freehold land and buildings HK\$'000	Leasehold improvements HK\$'000	Equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>Cost</b>							
At 1 January 2024	15,398	22,067	3,234	14,116	1,074	2,504	58,393
Additions	1,166	-	-	-	109	346	1,621
Disposals	-	-	(566)	-	(14)	-	(580)
Transfer	-	-	-	(224)	224	-	-
Disposal of subsidiaries (note 33)	(3,688)	-	(159)	(701)	(151)	-	(4,699)
Exchange realignment	(1,276)	(2,778)	(246)	(1,626)	(84)	(109)	(6,119)
At 31 December 2024 and 1 January 2025	11,600	19,289	2,263	11,565	1,158	2,741	48,616
Additions	2,627	-	-	340	183	-	3,150
Disposals	(1,803)	-	-	-	(16)	(83)	(1,902)
Exchange realignment	257	457	40	263	20	24	1,061
At 31 December 2025	12,681	19,746	2,303	12,168	1,345	2,682	50,925
<b>Accumulated depreciation</b>							
At 1 January 2024	10,941	389	1,362	12,336	600	327	25,955
Charge for the year	1,603	300	541	368	355	521	3,688
Written back on disposals	-	-	(566)	-	(14)	-	(580)
Transfer	-	-	-	(121)	121	-	-
Disposal of subsidiaries (note 33)	(2,511)	-	(159)	(282)	(94)	-	(3,046)
Exchange realignment	(983)	(56)	(58)	(1,499)	(46)	(38)	(2,680)
At 31 December 2024 and 1 January 2025	9,050	633	1,120	10,802	922	810	23,337
Charge for the year	1,715	294	452	221	275	541	3,498
Written back on disposals	(1,803)	-	-	-	(4)	(10)	(1,817)
Exchange realignment	201	20	22	255	17	13	528
At 31 December 2025	9,163	947	1,594	11,278	1,210	1,354	25,546
<b>Carrying amount</b>							
At 31 December 2025	3,518	18,799	709	890	135	1,328	25,379
At 31 December 2024	2,550	18,656	1,143	763	236	1,931	25,279

Note:

As at 31 December 2025, the Group's freehold land and buildings consist of total 5 (2024: 5) office units, in relation to properties located at Think Factory Industrial Cluster Dangsang, Seoul, South Korea, to be occupied by the Group in the ordinary course of business.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Right-of-use assets

	Properties leased for own use HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1 January 2024	3,055	1,402	4,457
Additions	257	909	1,166
Depreciation (note 31(c))	(1,057)	(546)	(1,603)
Disposal of subsidiaries	(1,177)	–	(1,177)
Exchange realignment	(108)	(185)	(293)
At 31 December 2024 and 1 January 2025	970	1,580	2,550
Additions	1,975	652	2,627
Depreciation (note 31(c))	(1,117)	(598)	(1,715)
Exchange realignment	19	37	56
At 31 December 2025	1,847	1,671	3,518

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 18. INTANGIBLE ASSETS

	Metaverse technology (note (iii)) HK\$'000	Reacquired right of software HK\$'000	Software platforms (notes (i) and (ii)) HK\$'000	Total HK\$'000
<b>Cost</b>				
At 31 December 2024, 1 January 2025 and 31 December 2025	11,148	1,950	20,268	33,366
<b>Accumulated amortisation and impairment</b>				
At 1 January 2024	557	1,950	20,268	22,775
Amortisation for the year	2,230	–	–	2,230
At 31 December 2024 and 1 January 2025	2,787	1,950	20,268	25,005
Amortisation for the year	2,230	–	–	2,230
At 31 December 2025	5,017	1,950	20,268	27,235
<b>Carrying amount</b>				
At 31 December 2025	6,131	–	–	6,131
At 31 December 2024	8,361	–	–	8,361

Notes:

- (i) The software platforms acquired were for three distinct software platforms with cybersecurity, big data and internet of things (“IoT”) features.
- (ii) As at 31 December 2025, an accumulated impairment of HK\$911,000 (2024: HK\$911,000) was recognised, which represented a full write-down of the carrying amount of one of the acquired software platforms with IoT features as it is not expected that it will generate any future economic benefit.
- (iii) Metaverse technology refers to the metaverse platform and related cloud computing technologies arising on acquisition of Prosper Long Limited, a non-wholly owned subsidiary of the Company, during the year ended 31 December 2023 and the amortisation period of metaverse technology is 5 years. Details of the impairment assessment are set out in note 19.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 19. GOODWILL

	2025 HK\$'000	2024 HK\$'000
<b>Cost</b>		
At 1 January	15,966	23,500
Disposal of subsidiaries	(775)	(7,534)
At 31 December	15,191	15,966
<b>Accumulated impairment loss</b>		
At 1 January	6,741	7,534
Disposal of subsidiaries	(775)	(7,534)
Impairment loss for the year	6,308	6,741
At 31 December	12,274	6,741
Carrying amount	2,917	9,225

#### Impairment testing on goodwill and intangible assets

For the purpose of impairment testing, goodwill is allocated to respective cash-generating unit ("CGU") identified as follows:

	2025 HK\$'000	2024 HK\$'000
Provision of digital assets related services by Hunter Digital Limited (the "Digital Assets CGU")	–	775
Provision of Metaverse related services by Prosper Long Limited (the "Metaverse CGU")	15,191	15,191
	15,191	15,966

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 19. GOODWILL (CONTINUED)

#### Impairment testing on goodwill and intangible assets (Continued)

The recoverable amount of respective CGU has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. The pre-tax discount rates and long-term growth rates applied for CGUs that are material to the Group are as below:

	Metaverse CGU %
<b>2025</b>	
Discount rate (pre-tax)	17.63%
Long-term growth rate (note)	3.00%
<b>2024</b>	
Discount rate (pre-tax)	17.43%
Long-term growth rate (note)	3.00%

Note: The long-term growth rate assumption applies only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the budgeted cash flows for year five.

Discount rates are based on the Group's beta adjusted to reflect management's assessment of specific risks related to respective CGU. Long-term growth rates beyond the first five years are based on economic data pertaining to the region concerned which is estimated by the directors of the Company based on past performance of the CGU and their expectations of market development and the rate does not exceed the average long-term growth rate for the relevant markets. Forecast sales growth rates and operating profits are based on past experience adjusted for the strategic decisions made in respect of the CGU.

As at 31 December 2025, the carrying amount of goodwill and intangible assets of HK\$2,917,000 and HK\$6,131,000 (2024: HK\$9,225,000 and HK\$8,361,000) was allocated to Metaverse CGU. Due to slowdown of metaverse business in Hong Kong, the Group has revised its cash flow forecasts for this CGU and it has been reduced to its recoverable amount of HK\$11,145,000 (2024: HK\$19,548,000). The carrying value of this CGU exceeded its recoverable amount by HK\$6,308,000 (2024: HK\$5,966,000) and therefore an impairment loss on goodwill of HK\$6,308,000 (2024: HK\$5,966,000) is recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 19. GOODWILL (CONTINUED)

#### Impairment testing on goodwill and intangible assets (Continued)

During the year ended 31 December 2025, the Group completed the disposal of Hunter Digital Limited. The goodwill associated with this subsidiary had a nil carrying amount as it was fully impaired in the previous year. Therefore, there was no goodwill impact upon its disposal. As at 31 December 2024, the carrying amount of goodwill of HK\$775,000 was allocated to Digital Assets CGU. Due to slowdown of digital assets business in Hong Kong, the Group has revised its cash flow forecasts for this CGU and it has been reduced to its recoverable amount of Nil. The carrying value of this CGU exceeded its recoverable amount by HK\$775,000 and therefore an impairment loss on goodwill of HK\$775,000 is recognised.

The following table sets forth the sensitivity analysis of the impact of variations in each of the key underlying assumptions for goodwill impairment testing described above on the recoverable amount of Metaverse CGU as of the dates indicated.

The headroom (the recoverable amount of the CGU would exceed the carrying amount of the CGU) has been presented as of the end of each year by applying a 1% increase or decrease in long-term growth rate and pre-tax discount rate. Although none of the hypothetical fluctuation ratios applied in this sensitivity analysis equals actual historical fluctuations, the directors of the Company believe that the application of the hypothetical fluctuations in each of the key assumptions presents a meaningful analysis of the potential impact of the changes in such assumptions on the recoverable amount of the CGU, and therefore it does not take into account the correlation between the key assumptions.

	Metaverse CGU	
	2025 HK\$'000	2024 HK\$'000
<b>Long-term growth rate (decrease)/increase</b>		
(1)%	(351)	(575)
1%	399	649
<b>Pre-tax discount rate (decrease)/increase</b>		
(1)%	657	1,129
1%	(578)	(1,000)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 20. OTHER FINANCIAL ASSETS – NON-CURRENT

	2025 HK\$'000	2024 HK\$'000
<b>Financial assets measured at FVTPL</b>		
– Unlisted equity securities	4,256	3,945

The investment represents Global Telecom's equity interests (both of which are less than 20%) in two cooperatives in Korea:

	2025 HK\$'000	2024 HK\$'000
Korea Software Financial Cooperative ("KSFC")	4,224	3,913
Korea Broadcasting & Communication Financial Cooperative ("KBCFC")	32	32
	4,256	3,945

KSFC was established pursuant to the Software Industry Promotion Act of Korea. KSFC provides to its members, (i) loans and investments necessary to develop software, upgrade technologies and stabilise the management, (ii) guarantees for liabilities of any software business operator who intends to obtain loans from financial institutions for the purpose of developing software, upgrading technologies and stabilising his/her business management, (iii) performance guarantees necessary for business.

KBCFC was established under the provisions of the Small and Medium Enterprise Cooperatives Act of Korea with aims of promoting sound development of information communication industry and welfare of its members to encourage their independent economic activities for the improvement of their economic status and the balanced development of the national economy. Small and medium enterprises engaging in manufacturing telecommunication and broadcasting apparatuses and industrial cooperatives engaging in an identical or related type of business are eligible for membership in KBCFC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 20. OTHER FINANCIAL ASSETS – NON-CURRENT (CONTINUED)

As at 31 December 2025, KSFC provided the following guarantees on behalf of Global Telecom:

	2025 HK\$'000	2024 HK\$'000
Description of guarantees which are related to projects of Global Telecom		
– Bidding guarantees	295	34
– Contract guarantees	57,949	40,944
– Defect guarantees	13,772	15,422
– Prepayment guarantees	74,558	56,998
	146,574	113,398

All of the guarantees above are related to contracts entered into by Global Telecom and its customers for satisfying the performance obligations of contracts with customers except for payment guarantees that are given to subcontractors of Global Telecom, to secure the payments to subcontractors by Global Telecom which the corresponding liabilities to the subcontractors have been recorded in the Group's consolidated financial statements.

KSFC is entitled to be indemnified by Global Telecom under the terms and conditions of the above guarantees given by KSFC. The directors consider that the probability for Global Telecom to indemnify KSFC is remote based on historical experiences and the disclosure of contingent liabilities arising from such guarantees as of each reporting date is not required.

Although there is no quoted market price in active market for the investment in KSFC, the directors are of the opinion that the fair value of the investment in KSFC as at 31 December 2025 can be measured reliably given that KSFC is required under Articles 33 and 35 of Software Industry Promotion Act, which became effective on 23 March 2016, to repurchase Global Telecom's investment in KSFC at a value as set out in the statement provided by KSFC to Global Telecom as at 31 December 2025. In respect of the investment in KBCFC, the directors are of the opinion that its fair value approximates to its carrying value, which is very immaterial.

The directors consider the Group does not have significant influence over these two cooperatives.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 21. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Hardware and software	1,277	476

During the year ended 31 December 2025, a provision of impairment of HK\$117,000 (2024: HK\$537,000) made against the carrying value of inventories.

### 22. TRADE AND BILLS RECEIVABLES AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade receivables	76,597	57,973
Bill receivables	72	–
Less: Provision for impairment	(22,047)	(13,611)
Trade and bills receivables, net (note (a))	54,622	44,362
Accrued interest	464	144
Rental and other deposits	9,857	14,493
Other receivables	4,076	2,569
<b>Total trade and bills receivables and other receivables (note (b))</b>	<b>69,019</b>	<b>61,568</b>
<b>Prepayments (note (c))</b>		
– Non-current	5	21
– Current	343	451
	<b>348</b>	<b>472</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 22. TRADE AND BILLS RECEIVABLES AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

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:

	2025 HK\$'000	2024 HK\$'000
0 to 90 days	49,081	34,737
91 to 180 days	3,021	5,257
181 to 365 days	2,197	4,368
Over 1 year	323	–
	54,622	44,362

- (b) The Group recognised impairment, if any, of trade and other receivables for the years ended 31 December 2025 and 2024 based on the accounting policy stated in note 4(k). Further details are set out in note 42(a).
- (c) The prepayments mainly included prepaid costs for maintenance services (2024: maintenance services and cybersecurity services) of the Group which had subcontracted to outsider service providers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 23. CONTRACT ASSETS/CONTRACT LIABILITIES

#### (a) Contract assets

	2025 HK\$'000	2024 HK\$'000
<b>Contract assets</b>		
Arising from performance under system integration	<b>3,813</b>	1,347

Invoices on revenue from system integration is issued according to the payment certificates approved by customers once certain milestones are reached. If the Group recognises the related revenue before it being unconditionally entitled to the consideration (i.e. when invoices are issued), the entitlement to consideration is classified as contract asset. Similarly, a contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue.

Contract assets are related to unbilled work in progress which have substantially the same characteristics as the trade and bills receivables for the same types of contract.

The Group has concluded that the ECLs rate for trade and bills receivables are a reasonable approximation of the rates for the contract assets. Since the contract assets are related to contracts which are still in progress and the payment is not due, the amount of ECLs of contract assets is assessed to be minimal.

No impairment loss has been recognised on contract assets for the years ended 31 December 2025 and 2024 based on the accounting policy stated in note 4(k). Further details are set out in note 42(a).

**NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**

31 December 2025

**23. CONTRACT ASSETS/CONTRACT LIABILITIES (CONTINUED)**

**(b) Contract liabilities**

	2025 HK\$'000	2024 HK\$'000
<b>Contract liabilities</b>		
Billings in advance of performance under system integration	2,981	148

Set out below is the movement of contract liabilities during the respective years.

	2025 HK\$'000	2024 HK\$'000
<b>Movements in contract liabilities</b>		
At 1 January	148	13,594
Decrease as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(148)	(5,785)
Increase as a result of billing in advance of revenue recognition of system integration	2,929	1,655
Disposal of subsidiaries (note 33)	–	(9,109)
Exchange realignment	52	(207)
At 31 December	2,981	148

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 24. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	90,622	42,693
Accruals and other payables	12,807	10,193
Advance receipts	556	598
Value-added tax payables	–	3,779
	<b>103,985</b>	<b>57,263</b>

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:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	72,064	34,212
31 to 60 days	1,759	3,640
61 to 90 days	10,777	667
91 to 180 days	1,805	1,767
181 to 365 days	1,867	1,933
Over 1 year	2,350	474
	<b>90,622</b>	<b>42,693</b>

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 25. LOANS FROM SHAREHOLDERS

	2025 HK\$'000	2024 HK\$'000
loans from shareholder (current)	4,789	–
loans from shareholder (non-current)	4,890	5,800
	9,679	5,800

Terms of loans from shareholders denominated in respective original currency are as follows:

2025

Terms of loan/name of shareholder	Mr. Phung (notes (a), (b) and (d))
Loan amount:	US\$700,000
Repayment term:	On 31 December 2026
Interest rate:	3.88% per annum
Security:	Unsecured

Terms of loan/name of shareholder	Ms. Tao (notes (c) and (d))
Loan amount:	HK\$5,000,000
Repayment term:	On 28 February 2027
Interest rate:	N/A
Security:	Unsecured

2024

Terms of loan/name of shareholder	Mr. Phung (notes (a) and (d))
Loan amount:	US\$700,000
Repayment term:	On 31 December 2026
Interest rate:	3.88% per annum
Security:	Unsecured

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 25. LOANS FROM SHAREHOLDERS (CONTINUED)

Notes:

- (a) Future Data has entered into a loan agreement dated 30 November 2022 with Mr. Phung, one of the shareholders and predecessor executive director of the Company, pursuant to which Mr. Phung agreed to provide Future Data a loan for the purpose of supporting Future Data's business development.

As at 31 December 2024 and 2025, the Company has drawn down a total amount of US\$700,000 (equivalent to HK\$5,468,000).

- (b) During the year ended 31 December 2025, the Group repaid a principal amount of US\$153,000 (equivalent to approximately HK\$1,190,000). The remaining outstanding balance of the loan is scheduled for repayment on 31 December 2026. As the remaining balance falls due within one year from the end of the reporting period, it has been reclassified from non-current liabilities to current liabilities as at 31 December 2025.
- (c) On 26 February 2025, the Group entered into a shareholder's loan agreement with Ms. Tao Hongxia, a shareholder the Company. Pursuant to the agreement, the shareholder provided an unsecured and interest-free loan facility of HK\$5,000,000 to the Group for the purpose of supporting its business development. At inception of new loans, adjustments to these loans amounting to HK\$1,870,000 was credited to reserve under the heading of "shareholders' contribution reserve" in Group's consolidated statement of change in equity. As at 31 December 2025, the loan from a shareholder were classified as non-current liabilities, and were unsecured, interest-free and repayable on 28 February 2027.
- (d) The loans from shareholders/a shareholder constituted connected transactions under Chapter 20 of the GEM Listing Rules.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 26. LOAN FROM THE ULTIMATE HOLDING COMPANY

	2025 HK\$'000	2024 HK\$'000
Loan from the ultimate holding company (current)	9,780	–

Terms of loan from the ultimate holding company in respective original currency is as follows:

Terms of loan/name of shareholder	Gorgeous Real Investment Holding Limited (note (a) and (b))
Loan amount:	HK\$10,000,000
Repayment term:	On 29 July 2026
Interest rate:	N/A
Security:	Unsecured

Notes:

- (a) On 29 July 2025, the Group entered into loan agreement with Gorgeous Real Investment Holding Limited, the ultimate holding company of Company. Pursuant to the agreement, the ultimate holding company provided an unsecured and interest-free loan facility of HK\$10,000,000 to the Group for the purpose of supporting its business development. At inception of new loans, adjustments to loan amounting to HK\$374,000 was credited to reserve under the heading of "shareholders' contribution reserve" in Group's consolidated statement of change in equity. As at 31 December 2025, the loan from the ultimate holding company was classified as current liabilities, and was unsecured, interest-free and repayable on 29 July 2026.
- (b) The loan from the ultimate holding company constituted connected transactions under Chapter 20 of the GEM Listing Rules.

### 27. AMOUNT DUE TO A SHAREHOLDER/A NON-CONTROLLING INTEREST

The amounts due are unsecured, interest free, repayable on demand and constituted connected transactions under Chapter 20 of the GEM Listing Rules.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 28. CONVERTIBLE NOTES

On 17 June 2024, the Company issued convertible notes with an aggregate principal amount of HK\$2,000,000, carrying interest at a rate of 8% per annum, payable in arrears on the maturity date of 17 June 2025 (the "Maturity Date"). The convertible notes entitled the noteholder to convert them into ordinary shares of the Company at any time after expiry of six calendar months from the date of issue of the convertible notes up to the business day immediately before the Maturity Date, at a conversion price of HK\$0.50 per conversion share, subject to clauses of adjustments to conversion price (the "Conversion Option").

The convertible notes may be early redeemed at 100% of the outstanding principal amount of the notes (in whole or in part) at any time and from time to time at the option of the Company prior to the Maturity Date. Any amount of the convertible notes that remains outstanding on the Maturity Date shall be redeemed at its then outstanding principal amount.

The conversion price will be subject to adjustments in the events of subdivision or consolidation of shares, capitalisation of profits or reserves, capital distributions, issue of shares or convertible securities at less than 80% of market price of shares or underlying shares of the Company.

If, as a result of adjustments to the conversion price, additional ordinary shares of the Company are required to be issued upon the noteholders exercising their rights to the Conversion Option, and the total number of conversion shares would otherwise exceed the maximum number of the ordinary shares that the Company may issue at the time pursuant to the general mandate under which the conversion shares are to be allotted and issued (the "Exceeded Shares"), the Company will settle the Exceeded Shares in cash. This cash amount will be calculated by the market price of the ordinary shares on the relevant exercise date of the Conversion Option.

The convertible notes are regarded as combined instruments consisting of a liability and derivative liability components. At the date of issue, the fair values of the derivative components are determined using an option pricing model; this amount is carried as derivative liabilities that is subsequently measured at fair value through profit or loss until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the liability component and is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 28. CONVERTIBLE NOTES (CONTINUED)

Transaction costs are apportioned between the liability and derivative components of the convertible notes based on the allocation of proceeds to the liability and derivative components on initial recognition. The portion related to the derivative components is expensed immediately.

The net proceeds received from the issue of the convertible notes has been split between the liability element and the derivative components, as follows:

	2025 HK\$'000	2024 HK\$'000
Liability component at 1 January	2,026	–
Nominal value of convertible notes issued	–	2,000
Transaction cost related to liability component	–	(82)
Derivative components	–	(37)
Liability component at date of issue	–	1,881
Interest charged	133	145
Conversion of shares (note)	(2,159)	–
Liability component at 31 December	–	2,026

	Conversion option HK\$'000	Early redemption option HK\$'000	Total HK\$'000
Derivative components at date of issue	745	(708)	37
Fair value (gain)/loss	(433)	421	(12)
Derivative components at 31 December 2024 and 1 January 2025	312	(287)	25
Conversion of shares (note)	(312)	287	(25)
Derivative components at 31 December 2025	–	–	–

Note:

On 4 August 2025, the bond holder exercised the conversion right attaching to the convertible bonds in aggregate principal amount HK\$2,000,000 and an aggregate of 4,000,000 ordinary shares of HK\$0.01 each were allotted and issued at the conversion price of HK\$0.5 per share.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 28. CONVERTIBLE NOTES (CONTINUED)

The interest charged for the year is calculated by applying an effective interest rate of 14.85% to the liability component since the notes were issued.

This fair value of liability component has been calculated by discounting the future cash flows at the market interest rate (level 2 fair value measurement).

The derivative components are measured at their fair values at the date of issue and at the end of each reporting period. The fair values are estimated using Binomial Model (level 3 fair value measurement). The key assumptions used are as follows:

	31 December 2024	Date of issue
Weighted average share price	0.445	0.500
Weighted average exercise price	0.500	0.500
Expected volatility	75.28%	88.98%
Expected life	0.5 year	1 year
Risk-free rate	3.80%	4.12%
Expected dividend yield	0.00%	0.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 29. DEFERRED TAX ASSETS/(LIABILITIES)

Details of the deferred tax assets/(liabilities) recognised and movements during the current and prior years are as follows:

	Amortisation of intangible assets HK\$'000	Accelerated tax depreciation HK\$'000	Provision for impairment of trade receivables HK\$'000	Provision for incentive bonus HK\$'000	Provision for impairment of inventories HK\$'000	Tax losses carried forward (note a) HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2024	(1,747)	(38)	2,750	706	1,248	742	1,218	4,879
Credited/(charged) to profit or loss for the year (note 12)	368	4	72	61	113	(157)	(169)	292
Credited to equity for the year	-	-	-	-	-	-	141	141
Exchange realignment	-	4	(352)	(96)	(170)	-	(131)	(745)
At 31 December 2024	(1,379)	(30)	2,470	671	1,191	585	1,059	4,567
At 1 January 2025	(1,379)	(30)	2,470	671	1,191	585	1,059	4,567
Credited/(charged) to profit or loss for the year (note 12)	368	16	165	138	100	155	(207)	735
Credited to equity for the year	-	-	-	-	-	-	91	91
Exchange realignment	-	-	62	19	31	-	20	132
At 31 December 2025	(1,011)	(14)	2,697	828	1,322	740	963	5,525

The following is the analysis of deferred tax balances for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	5,525	4,567

Notes:

- As at 31 December 2025, the Group had tax losses arising in Hong Kong of HK\$4,491,000 (2024: HK\$7,173,000) that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. Deferred tax assets of approximately HK\$740,000 (2024: HK\$585,000) have been recognised for tax losses arising from Future Data as management expects that availability of future profit streams is highly probable in the foreseeable future.
- According to Korean Corporate Income Tax, the Group is subject to a withholding tax at 22%, unless reduced by tax treaties or arrangements, for dividends distributed by a Korean enterprise to its immediate holding company outside Korea. Since, the Group controls the dividend policy of Global Telecom, deferred tax liability arising from the undistributed profits of Global Telecom is only provided to the extent that such profits are expected to be distributed in the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 29. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

As at 31 December 2025, deferred tax liability of HK\$29,300,000 (2024: HK\$31,800,000) has not been recognised on temporary differences relating to the remaining undistributed earnings of a foreign subsidiary in Korea because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

### 30. DEFINED BENEFIT OBLIGATIONS

The Group operates a defined benefit plan (the "Plan") under the Employee Retirement Benefit Security Act ("ERBSA") legislation covering the employees of Global Telecom. The Plan is administered by the independent trustee and the Plan assets are held separately from those of the Group. The Plan provides lump sum benefits when a member ceases employment with Global Telecom. The amount is based on a formula linking final average salary (averaged over three months) and years of service.

Global Telecom must carry out a funding valuation using a prescribed method each year and if the fair value of the plan assets is below 95% of the present value of defined benefit obligation which is the standard required reserve under ERBSA as at 31 December 2025 and 2024, Global Telecom must develop a financial stabilisation plan to make up the deficiency within three years. The Plan exposes Global Telecom to actuarial risks, such as interest rate risk and longevity risk. As a result of the Plan characteristics, Global Telecom does not use any asset-liability matching strategies involving annuities or other techniques.

The Plan is funded by contributions from the Group with reference to an independent actuary's recommendation based on annual actuarial valuation. The latest independent actuarial valuation of the Plan was as at 31 December 2025 and prepared by qualified staff of Towers Watson, who is a member of Society of Actuaries and a member of Institute of Actuaries of Korea, using the projected unit credit method. The actuarial valuations as at 31 December 2025 indicate that the Group's obligations under the Plan are approximately 101% (2024: 101%) covered by the Plan assets held by the trustee as at the respective reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 30. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The amounts recognised in the consolidated statement of financial position are as follows:

	2025 HK\$'000	2024 HK\$'000
Present value of defined benefit obligations	47,590	33,655
Fair value of plan assets	(48,065)	(33,887)
Defined benefit assets as at 31 December	(475)	(232)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Group expects to pay approximately HK\$12,651,000 (2024: HK\$4,539,000) in contributions to the Plan in 2025.

The Group's contributions for the year ended 31 December 2025 amounted to approximately HK\$12,651,000 (2024: HK\$4,539,000).

The principal financial assumptions used in the actuarial valuation as at 31 December 2025 for the purpose of the accounting disclosures were as follows:

	2025	2024
Discount rate	3.50%	3.25%
Rate of salary increase	6.00%	6.00%

For purpose of determining the defined benefit obligations, the following participant data has been applied as at 31 December 2025:

	2025	2024
Number of staff	226	196
Total annual plan salary	HK\$58,569,000	HK\$51,668,000
Average annual plan salary	HK\$259,000	HK\$264,000
Average age (count weighted)	43.18 years	41.52 years
Average credited services (count weighted)	4.36 years	4.17 years

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 30. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income in respect of the Plan are as follows:

	2025 HK\$'000	2024 HK\$'000
Current service costs	12,597	4,234
Administration costs	174	169
Interest on assets	(1,160)	(1,122)
Interest costs	979	1,055
Total amount recognised in profit or loss (note 11)	12,590	4,336
Actuarial loss (net of tax) recognised in other comprehensive income	343	532
Total defined benefit costs	12,933	4,868

The current service costs, administration costs and the net interest on net defined benefit liability are recognised in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2025 HK\$'000	2024 HK\$'000
Cost of services	3,226	3,051
Selling and administrative expenses	9,364	1,285
	12,590	4,336

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 30. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

Movements in the present value of the defined benefit obligations are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	33,655	35,177
Pension costs charged to profit or loss:		
Service costs	12,597	4,234
Net interest	979	1,055
Sub-total	47,231	40,466
Benefits paid	(976)	(2,860)
Actuarial changes arising from changes in financial assumptions	(376)	612
Actuarial changes arising from experience adjustments	686	11
Actuarial changes arising from demographic assumptions	–	(74)
Exchange realignment	1,025	(4,500)
At 31 December	47,590	33,655

The weighted average duration of the defined benefit obligations is 3.3 years (2024: 3.7 years).

Changes in the fair values of the Plan assets are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	33,887	35,829
Pension costs charged to profit or loss:		
Administrative costs	(174)	(169)
Net interest	1,160	1,122
Sub-total	34,873	36,782
Benefits paid	(976)	(2,860)
Actuarial changes arising from changes in financial assumptions	(125)	(124)
Contribution from employer	13,257	4,539
Exchange realignment	1,036	(4,450)
At 31 December	48,065	33,887

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 30. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The assets of the Plan are as follows:

	2025 HK\$'000	2024 HK\$'000
Term deposit	48,065	33,887

Sensitivity analysis on actuarial assumptions used in determining defined benefit obligations for the Plan as at 31 December 2025 are set out as follows:

	Percentage change	2025 HK\$'000	2024 HK\$'000
Discount rate	+0.25%	(369)	(309)
	-0.25%	376	315
Rate of salary increases	+0.25%	421	347
	-0.25%	(416)	(342)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 31. LEASES

#### The Group as a lessee

##### Nature of leasing activities

The Group leases a number of properties and vehicle in Korea and Hong Kong. Lease contracts are typically made for a fixed period which ranged from 2 to 5 years.

##### (a) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2025 HK\$'000	2024 HK\$'000
Properties leased for own use, carried at depreciated cost	1,847	970
Motor vehicles, carried at depreciated cost	1,671	1,580

##### (b) Lease liabilities

	Properties leased for own use HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1 January 2024	3,117	1,441	4,558
Additions	257	909	1,166
Lease payments	(1,152)	(605)	(1,757)
Interest expense	82	81	163
Disposal of subsidiaries (note 33)	(1,205)	–	(1,205)
Exchange realignment	(104)	(190)	(294)
At 31 December 2024 and 1 January 2025	995	1,636	2,631
Additions	1,952	675	2,627
Lease payments	(1,185)	(691)	(1,876)
Interest expense	58	87	145
Exchange realignment	17	38	55
At 31 December 2025	1,837	1,745	3,582

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 31. LEASES (CONTINUED)

#### The Group as a lessee (Continued)

#### Nature of leasing activities (Continued)

#### (b) Lease liabilities (Continued)

Future lease payments are due as follows:

2025

	Minimum lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
Within one year	1,828	153	1,675
More than one year, but not exceeding two years	1,361	59	1,302
More than two years, but not exceeding five years	636	31	605
Present value of lease obligations	3,825	243	3,582

2024

	Minimum lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
Within one year	1,516	96	1,420
More than one year, but not exceeding two years	603	50	553
More than two years, but not exceeding five years	691	33	658
Present value of lease obligations	2,810	179	2,631

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 31. LEASES (CONTINUED)

#### The Group as a lessee (Continued)

#### Nature of leasing activities (Continued)

#### (b) Lease liabilities (Continued)

The present value of future lease payments are analysed as:

	2025 HK\$'000	2024 HK\$'000
Current liabilities	1,675	1,420
Non-current liabilities	1,907	1,211
	3,582	2,631

At 31 December 2025, the average effective borrowing rate was 4.68% (2024: 4.69%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

#### (c) The amounts recognised in profit or loss from continuing operations in relation to leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities (note 9)	145	152
Depreciation charge of right-of-use assets (note 17)	1,715	1,567
Short-term leases expenses (note 10)	287	438

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 32. SHARE CAPITAL

	No. of ordinary shares '000	Amount HK\$'000
<b>Authorised</b>		
Ordinary shares of HK\$0.01 each		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025		
	5,000,000	50,000
<b>Ordinary shares, issued and fully paid</b>		
At 1 January 2024, 31 December 2024 and 1 January 2025		
	546,680	5,467
Placing and allotment of shares (note)		
	4,000	40
At 31 December 2025		
	550,680	5,507

Note: On 4 August 2025, the convertible bonds holder exercised the conversion right attaching to the convertible bonds in aggregate principal amount HK\$2,000,000 and an aggregate of 4,000,000 ordinary shares of HK\$0.01 each were allotted and issued at the conversion price of HK\$0.5 per share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 33. DISPOSALS OF SUBSIDIARIES

For the year ended 31 December 2025

Name of subsidiaries	Place of incorporation/ establishment	Equity interest held by the Group before disposal	Equity interest held by the Group after disposal	Total consideration HK\$'000
Hunter Digital Limited	Hong Kong	51.00%	Nil	3,800 (note i)
FD Digital Investment Holdings Limited	BVI	100%	Nil	20

For the year ended 31 December 2024

Name of subsidiaries	Place of incorporation/ establishment	Equity interest held by the Group before disposal	Equity interest held by the Group after disposal	Total consideration HK\$'000
Maximus Group Consulting Limited	BVI	64.86%	Nil	1,820 (note ii)

Notes:

- (i) On 18 December 2025, the Group entered in to sales and purchases agreement with independent third parties for disposal 51% equity interest with consideration of HK\$3,800,000.
- (ii) As referred to in note 14, on 24 January 2024, the Group discontinued its cybersecurity services segment at the time of disposal of Maximus Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 33. DISPOSALS OF SUBSIDIARIES (CONTINUED)

Analysis of assets and liabilities over which control was lost:

	2025 HK\$'000	2024 HK\$'000
Property, plant and equipment	–	1,653
Contract assets	–	1,267
Trade and other receivables	6,848	6,632
Amount due from related companies	396	–
Prepayment	–	1,885
Cash and cash equivalents	–	298
Trade and other payables	(9,814)	(2,553)
Contract liabilities	–	(9,109)
Lease liabilities	–	(1,205)
Net liabilities disposal of	(2,570)	(1,132)
	HK\$'000	HK\$'000
<b>(Loss)/gain on disposal of subsidiaries:</b>		
Consideration receivable	3,800	–
Consideration received in cash and cash equivalents	20	1,820
Net liabilities disposed of	2,570	1,132
Non-controlling interest	(1,096)	(398)
Waiver of receivables	(7,370)	–
(Loss)/gain on disposal of subsidiaries (notes 8 and 14)	(2,076)	2,554
	HK\$'000	HK\$'000
<b>Net cash inflow arising on disposal:</b>		
Cash consideration	20	1,820
Less: cash and cash equivalents disposed of	–	(298)
	20	1,522

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 34. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

A share option scheme was approved and adopted by the Company on 21 June 2016 (the "Scheme"), for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company's subsidiaries.

The Scheme is effective for a period of 10 years commencing on the listing date of 8 July 2016 of the Company. Under the Scheme, the board of directors may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the granting of the option; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the granting of the option; and (iii) the nominal value of a share. An offer of grant of an option may be accepted by a participant within the date as specified in the offer letter issued by the Company, being a date not later than 21 days from the date upon which it is made, by which the participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than 10 years after the date of adoption of the Scheme. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option.

The period as the board of directors may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Scheme, a period of 10 years from the date of the granting of the option).

The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares in issue. Options lapsed in accordance with the terms of the Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 34. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Details of the specific categories of share options are as follows:

Date of grant	Vesting period	Exercise period	Exercise price per share HK\$	Number of share options granted
Director				
16 May 2023	16 May 2023 to 15 May 2024	16 May 2024 to 15 May 2033	0.810	4,800,000
Employees				
3 April 2023	3 April 2023 to 2 April 2024	3 April 2024 to 2 April 2033	0.656	19,200,000
5 October 2023	5 October 2023 to 4 October 2024	5 October 2024 to 4 October 2033	0.840	5,800,000
15 January 2024 (note)	15 January 2024 to 14 January 2025	15 January 2025 to 14 January 2034	0.600	4,800,000

Note: There was a performance target attached, the grantee is subject to the performance target to be achieved by the grantee that the profit before tax of Future Data Space Limited, a wholly owned subsidiary of the Company, for the financial year ended 31 December 2024 shall be not less than RMB3,000,000.

Details of the movement of share options during the year are as follows:

Date of grant	Exercise price per share HK\$	As at 1 January 2025	Granted during the year	Exercised during the year	Forfeited during the year	As at 31 December 2025	
Director	16 May 2023	0.810	4,800,000	-	-	(4,800,000)	-
Employees	3 April 2023	0.656	4,800,000	-	-	-	4,800,000
Employees	5 October 2023	0.840	4,800,000	-	-	-	4,800,000
Employees	15 January 2024	0.600	4,800,000	-	-	-	4,800,000
			19,200,000	-	-	-	14,400,000
Weighted average exercise price		HK\$0.720	-	-	HK\$0.810	HK\$0.699	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 34. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

	Date of grant	Exercise price per share HK\$	As at 1 January 2024	Granted during the year	Forfeited during the year	As at 31 December 2024
Director	16 May 2023	0.810	4,800,000	–	–	4,800,000
Employees	3 April 2023	0.656	7,200,000	–	(2,400,000)	4,800,000
Employees	5 October 2023	0.840	5,800,000	–	(1,000,000)	4,800,000
Employees	15 January 2024	0.600	–	4,800,000	–	4,800,000
			17,800,000	4,800,000	(3,400,000)	19,200,000
Weighted average exercise price			HK\$0.760	HK\$0.600	HK\$0.710	HK\$0.720

The options outstanding at the end of the year have a weighted average remaining contractual life of 7.69 years (2024: 8.61 years).

The estimated fair values of the share options granted on 15 January 2024 (2023: 3 April 2023, 16 May 2023 and 5 October 2023) amounted to approximately of HK\$1,428,000 (2023: HK\$5,385,000, HK\$2,524,000 and HK\$2,132,000 respectively).

These fair values were calculated using Binomial Option Pricing Model. The inputs into the model were as follows:

Date of grant	3 April 2023	16 May 2023	5 October 2023	15 January 2024
Share price	0.640	0.810	0.810	0.520
Exercise price per option	0.656	0.810	0.826	0.600
Expected volatility	78.66%–84.71%	84.54%	87.18%	84.63%
Expected life	10 years	10 years	10 years	10 years
Risk-free rate	3.17%–3.33%	3.02%	4.30%	3.20%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 2 years. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised equity-settled share-based payments of approximately HK\$51,000 (2024: HK\$3,773,000) for the year ended 31 December 2025 in relation to share options granted by the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 35. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Note	At 31 December	
		2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		2,080	2,024
Interests in subsidiaries		58,029	58,418
Rental deposits		169	169
		60,278	60,611
<b>Current assets</b>			
Deposits and prepayments		10,080	11,559
Amounts due from subsidiaries		39,136	41,055
Cash and cash equivalents		10,540	1,679
		59,756	54,293
<b>Current liabilities</b>			
Accruals and other payables		1,672	2,409
Amounts due to subsidiaries		–	3,791
Amount due to a shareholder		1,376	1,376
Lease liabilities		590	387
Convertible notes	28	–	2,026
Derivative components embedded in convertible notes	28	–	25
Loan from the ultimate holding company		9,781	–
		13,419	10,014
<b>Net current assets</b>		<b>46,337</b>	<b>44,279</b>
<b>Total assets less current liabilities</b>		<b>106,615</b>	<b>104,890</b>
<b>Non-current liabilities</b>			
Lease liabilities		367	–
Loans from shareholders		4,890	–
		5,257	–
<b>Net assets</b>		<b>101,358</b>	<b>104,890</b>
<b>Capital and reserves</b>			
Share capital	32	5,507	5,467
Reserves	36	95,851	99,423
<b>Total equity</b>		<b>101,358</b>	<b>104,890</b>

On behalf of the board of directors

Ms. Tao Hongxia  
Director

Ms. Tuen Hei Ching  
Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 36. RESERVES

Details of the movements in the Group's reserves are as set out in the consolidated statement of changes in equity in these consolidated financial statements. The natures and purposes of reserves within equity are as follows:

- (a) Share premium account of the Company represents the excess of the proceeds received over the nominal value of the Company's shares issued.
- (b) Capital reserve represents (i) the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the shares of the Company issued in exchange thereof pursuant to the group reorganisation and (ii) the effect of capitalisation of loan from the former ultimate holding company of approximately HK\$10,171,000.
- (c) Pursuant to the Special Tax Treatment Control Law in Korea, Global Telecom is allowed to appropriate retained earnings as a reserve for research and manpower development. This reserve is not available for the payment of Dividends but to be used for specified purposes or reversed back to retained earnings.
- (d) The foreign exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign operations from KRW to the presentation currency, HK\$.
- (e) In accordance with the Korean Commercial Code, an amount equal to at least 10% of cash dividends is required to be appropriated as a legal reserve until the reserve equals 50% of issued capital. The legal reserve may not be utilised for cash dividend but may only be used to offset a deficit, if any, or be transferred to capital.
- (f) The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(u) to the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 36. RESERVES (CONTINUED)

Details of the movements on the Company's reserves are as follows:

	Share premium HK\$'000	Shareholder contribution reserve HK\$'000	Contributed surplus HK\$'000	Share-based payment HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	103,862	–	57,639	3,542	(56,022)	109,021
Loss for the year	–	–	–	–	(13,371)	(13,371)
Recognition of equity-settled share-based payments	–	–	–	3,773	–	3,773
At 31 December 2024 and 1 January 2025	103,862	–	57,639	7,315	(69,393)	99,423
Loss for the year	–	–	–	–	(6,329)	(6,329)
Recognition of equity-settled share-based payments	–	–	–	51	–	51
Issue of shares upon conversion of convertible bond	2,145	–	–	–	–	2,145
Deemed contribution from a shareholder	–	187	–	–	–	187
Deemed contribution from the ultimate holding company	–	374	–	–	–	374
At 31 December 2025	106,007	561	57,639	7,366	(75,722)	95,851

Note: The contributed surplus of the Company represented the difference between the net asset value of the subsidiaries acquired and the nominal value of the shares of the Company issued in exchange thereof pursuant to the group reorganisation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 37. INTERESTS IN SUBSIDIARIES

Name	Place of incorporation and operation/Kind of legal entity	Issued and fully paid share capital/Registered capital*	% of ownership interest		Principal activities
			2025	2024	
SuperChips Limited	BVI/Limited liability company	50,000 shares of United States Dollars ("US\$") of 1 each	Directly 100%	Directly 100%	Investment holding
Future Data China Holdings Limited	BVI/Limited liability company	50,000 shares of US\$1 each	Directly 100%	Directly 100%	Investment holding
Future Data Space Limited	BVI/Limited liability company	50,000 shares of US\$1 each	Directly 100%	Directly 100%	Investment holding
Global Telecom	Republic of Korea/Limited liability company	190,000 shares of KRW5,000 each	Indirectly 100%	Indirectly 100%	Provision of system integration and maintenance services
Future Data	Hong Kong/Limited liability company	HK\$21,251,460	Indirectly 100%	Indirectly 100%	Provision of cybersecurity services
Hunter Digital Limited	Hong Kong/Limited liability company	HK\$2,208,163	–	Indirectly 51%	Development and distribution of non-fungible token ("Digital Assets")
中福數融(廣州)技術有限公司	The People's Republic of China (the "PRC")/Wholly foreign-owned entity	Renminbi ("RMB") 1,000,000*	–	Indirectly 51%	Provision of software and information technology services
中福數融(福州)技術有限公司	The PRC/Wholly foreign-owned entity	RMB1,000,000*	–	Indirectly 51%	Provision of software and information technology services
Future A.I. Technology Limited	Hong Kong/Limited liability company	HK\$1,000,000	Indirectly 100%	Indirectly 100%	Investment holding
Prosper Long Limited	BVI/Limited liability company	USD50,000*	Indirectly 90% (Note 1)	Indirectly 90%	Metaverse business
Digital Development Holdings Limited	Hong Kong/Limited liability company	HK\$1,000,000	Indirectly 100%	Indirectly 100%	Investment holding
Future Innovation Technology Holdings Limited	Hong Kong/Limited liability company	HK\$1,000,000	Indirectly 100%	Indirectly 100%	Investment holding
Future Interactive Technology Holdings Limited	Hong Kong/Limited liability company	HK\$1,000,000	Indirectly 100%	Indirectly 100%	Investment holding
未來數融技術(佛山)有限公司	The PRC/Wholly foreign-owned entity	RMB20,000,000*	–	Indirectly 100%	Provision of software and information technology services

Note 1: Interest in subsidiaries included non-controlling interest and the balance of non-controlling interest is individually and aggregate immaterial to consolidated financial statements.

None of the subsidiaries had issued any debt securities at the end of the year ended 31 December 2025 and 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 38. RELATED PARTY TRANSACTIONS

### Compensation of key management personnel

The remuneration of directors and other members of key management for the year are set out in note 16.

## 39. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Loans from shareholders (note 25) HK\$'000	Amount due to a shareholder (note 27) HK\$'000	Loan from the ultimate holding company (note 26) HK\$'000	Lease liabilities (note 31(b)) HK\$'000	Convertible notes (note 28) HK\$'000
At 1 January 2024	5,648	1,376	-	4,558	-
<b>Changes from financing cash flows:</b>					
Additions to convertible notes, net of transaction cost	-	-	-	-	1,918
Repayment of principal portion of the lease liabilities	-	-	-	(1,757)	-
Total changes from financing cash flows	-	-	-	(1,757)	1,918
<b>Other changes:</b>					
Additions to leases liabilities	-	-	-	1,166	-
Disposal of subsidiaries (note 33)	-	-	-	(1,205)	-
Finance costs	152	-	-	163	145
Derivative component	-	-	-	-	(37)
Exchange realignment	-	-	-	(294)	-
Total other changes	-	-	-	(170)	108

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 39. NOTES SUPPORTING STATEMENT OF CASH FLOWS (CONTINUED)

#### Reconciliation of liabilities arising from financing activities (Continued)

	Loans from shareholders (note 25) HK\$'000	Amount due to a shareholder (note 27) HK\$'000	Loan from the ultimate holding company (note 26) HK\$'000	Lease liabilities (note 31(b)) HK\$'000	Convertible notes (note 28) HK\$'000
At 31 December 2024 and 1 January 2025	5,800	1,376	-	2,631	2,026
<b>Changes from financing cash flows:</b>					
Increase in loan from shareholders	5,000	-	-	-	-
Repayment of loan from shareholders	(1,190)	-	-	-	-
Increase in loan from the ultimate holding company	-	-	10,000	-	-
Repayment of principal portion of the lease liabilities	-	-	-	(1,876)	-
<b>Total changes from financing cash flows</b>	<b>3,810</b>	<b>-</b>	<b>10,000</b>	<b>(1,876)</b>	<b>-</b>
<b>Other changes:</b>					
Additions to leases liabilities	-	-	-	2,627	-
Finance costs	256	-	154	145	133
Adjustment to shareholder contribution reserve	(187)	-	(374)	-	-
Conversion of shares	-	-	-	-	(2,159)
Exchange realignment	-	-	-	55	-
<b>Total other changes</b>	<b>69</b>	<b>-</b>	<b>(220)</b>	<b>951</b>	<b>(2,026)</b>
At 31 December 2025	9,679	1,376	9,780	3,582	-

### 40. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:		
Commitment for acquisition of property, plant and equipment	6,000	6,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2025 HK\$'000	2024 HK\$'000
<b>Financial assets:</b>		
<b>Non-current</b>		
<b>Financial assets at FVTPL</b>		
Unlisted equity securities	4,256	3,945
<b>Financial assets at amortised cost</b>		
Rental and other deposits	521	386
	4,777	4,331
<b>Current</b>		
<b>Financial assets at amortised cost</b>		
Trade and bills receivable and other receivables	69,019	61,568
Fixed bank deposits	52,449	22,982
Cash and cash equivalents	77,136	81,807
	198,604	166,357
<b>Financial liabilities:</b>		
<b>Non-current</b>		
<b>Financial liabilities at amortised cost</b>		
Loans from shareholders	4,890	5,800
Lease liabilities	1,907	1,211
	6,797	7,011
<b>Current</b>		
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	103,427	52,886
Amount due to a non-controlling interest	188	188
Amount due to a shareholder	1,376	1,376
Loans from shareholders	4,789	–
Loan from the ultimate holding company	9,780	–
Lease liabilities	1,675	1,420
Convertible notes	–	2,026
	121,235	57,896
<b>Current Derivative financial liabilities</b>		
Derivative components embedded in convertible notes	–	25

Note: The carrying amounts of the financial assets and financial liabilities included above approximate their fair values due to their short term nature.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks which result from the use of financial instruments in its ordinary course of operations. The financial risks include market risks (mainly foreign currency risk and interest rate risk), credit risk and liquidity risk. Details of these financial instruments are disclosed in the notes below. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The directors meet regularly to identify and evaluate risks and to formulate strategies to manage financial risks on timely and effective manner. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below.

#### (a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligations under the terms of the financial instrument and cause a financial loss to the Group.

Cash and cash equivalents and deposits with banks are normally placed at financial institutions that have sound credit rating and the Group considers the credit risk to be insignificant.

#### Trade receivables and bills receivables and contract assets

The Group measures the loss allowance for trade and bills receivables at an amount equal to lifetime ECLs. To measure the ECLs, the trade receivables have been grouped based on shared credit risk characteristics (i.e. usually by locations) and the days past due. The ECLs on trade and bills receivables are estimated using a provision matrix by reference to past default experience of the debtor, current market condition in relation to each debtor's exposure. The ECLs also incorporated forward looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Credit risk (Continued)

##### Trade receivables and bills receivables and contract assets (Continued)

The Group determined the ECLs rates of contract assets based on those rates applied to trade and bills receivables as contract assets and trade and bills receivables are from the same customer bases.

As at each reporting period, the provision made respectively against the gross amount of trade and bills receivables is as follows:

2025

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
<b>Collective assessment:</b>				
Current (not past due)	0.20%	49,181	100	49,081
0–90 days past due	0.92%	3,049	28	3,021
91–180 days past due	2.00%	1,100	22	1,078
181–365 days past due	12.55%	1,649	207	1,442
Over 1 year past due	100.00%	7,761	7,761	–
		62,740	8,118	54,622
<b>Individual assessment:</b>	100.00%	13,929	13,929	–
		76,669	22,047	54,622

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Credit risk (Continued)

##### Trade receivables and bills receivables and contract assets (Continued)

2024

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
<b>Collective assessment:</b>				
Current (not past due)	0.13%	34,783	46	34,737
0–90 days past due	0.13%	5,264	7	5,257
91–180 days past due	0.31%	971	3	968
181–365 days past due	6.77%	3,647	247	3,400
Over 1 year past due	100%	939	939	–
		45,604	1,242	44,362
<b>Individual assessment:</b>				
	100%	12,369	12,369	–
		57,973	13,611	44,362

ECLs are based on actual loss experience over the past 3 (2024: 3) years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Credit risk (Continued)

##### Trade receivables and bills receivables and contract assets (Continued)

Movements in the loss allowance account in respect of trade receivables and contract assets during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	13,611	15,551
Provision for impairment recognised during the year, net	8,108	338
Exchange realignment	328	(1,921)
Disposal of subsidiaries	–	(357)
At 31 December	22,407	13,611

As at 31 December 2025 and 2024, no provision was made against the gross amount of contract assets because the Group has concluded that the ECLs rate for trade and bills receivables are a reasonable approximation of the rates for the contract assets. Since the contract assets are related to contracts which are still in progress and the payment is not due, the amount of ECLs of contract assets is assessed to be minimal.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Credit risk (Continued)

##### Other receivables

ECLs model for other receivables is summarised below:

Other receivables that are not credit-impaired on initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the Group. The ECLs is measured on a 12-month basis.

- If a significant increase in credit risk (as define below) since initial recognition is identified, the financial instrument is moved to "Stage 2" but it is not yet deemed to be credit-impaired. The ECLs is measured on lifetime basis.
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The ECLs is measured on lifetime basis.
- At Stages 1 and 2, interest income is calculated on the gross carrying amount (without deducting the loss allowance). If a financial instrument subsequently becomes credit-impaired (Stage 3), the Group is required to calculate the interest income by applying the effective interest method in subsequent reporting periods to the amortised cost of the financial asset (the gross carrying amount net of loss allowance) rather than the gross carrying amount.

As at 31 December 2025 and 2024, no provision was made against the gross amount of other receivables because the Group considered the impact of the impairment of other receivables to be insignificant based on past credit history and the nature of the other receivables.

The credit policies have been consistently applied and are considered to be effective in managing the Group's exposure.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, bank borrowings, loan from a shareholder, amounts due to a shareholder and shareholders of non-controlling interests and convertible notes and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The liquidity policy has been followed by the Group during the year and is considered by the directors to have been effective in managing liquidity risks.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the respective reporting date) and the earliest date the Group can be required to pay.

2025

	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000
Non-derivatives:					
Trade and other payables	103,427	103,457	103,457	-	-
Loans from shareholders	9,679	9,975	4,975	5,000	-
Loan from the ultimate holding company	9,780	10,000	10,000	-	-
Amount due to a non-controlling interest	188	188	188	-	-
Amount due to a shareholder	1,376	1,376	1,376	-	-
Lease liabilities	3,582	3,825	1,828	1,361	636
	128,032	128,821	121,824	6,361	636

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Liquidity risk (Continued)

2024

	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000
Non-derivatives:					
Trade and other payables	52,886	52,886	52,886	–	–
Loans from shareholders	5,800	6,133	–	6,133	–
Amount due to a non-controlling interest	188	188	188	–	–
Amount due to a shareholder	1,376	1,376	1,376	–	–
Lease liabilities	2,631	2,810	1,516	602	692
Convertible notes	2,026	2,160	2,160	–	–
	64,907	65,553	58,126	6,735	692

#### (c) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates principally to its bank deposits. The Group's policy is to minimise interest rate risk exposure. To achieve this, the Group regularly assesses and monitors its needs for cash with reference to its business plans and day-to-day operations. The interest rates of the lease of own-use properties and motor vehicles of the Group are disclosed in note 31. The Group currently does not have an interest rate hedging policy.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Interest rate risk (Continued)

In respect of cash flow interest rate risk, the following table illustrates the sensitivity of the Group's loss for the year, and other components of equity at the dates indicated due to a possible change in interest rates on its floating rate bank deposits with all other variables held constant at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
(Decrease)/increase in loss for the year and (increase)/ decrease in retained earnings		
Increase/decrease in basis points		
+0.5%	(207)	(91)
-0.5%	207	91

The above sensitivity analysis is prepared based on the assumption that the bank deposits as at reporting dates existed throughout the whole financial year.

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rates over the next twelve months.

#### (d) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to currency risk principally arise from Global Telecom's overseas purchases which are denominated in US\$ whereas the functional currency of Global Telecom is KRW.

To mitigate the Group's financial loss from exposure to unfavourable foreign exchange rate movement in KRW and US\$, the Group added on a margin in the costing of the relevant part of the system integration projects which required purchases of hardware and software components to be settled in US\$. The margin was supposed to be a cushion to safeguard against any unfavourable foreign exchange rate movement in KRW and US\$ between the costing date and the relevant settlement date. In view of the limited size of each US\$ denominated purchase, it is considered that it is not justifiable on a cost and benefit analysis to enter into foreign exchange hedging transactions for such purchases.

In respect of the business operation in Hong Kong, the transactions are primarily denominated in HK\$ and US\$. Since US\$ is pegged to HK\$, the corresponding foreign currency risk exposure is considered as minimal. Accordingly, the analysis below is prepared based on Global Telecom's foreign currency risk exposure only.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Foreign currency risk (Continued)

##### Summary of exposure

Global Telecom's financial assets and liabilities denominated in US\$, translated into HK\$ at the closing rates, are as follows:

	2025 HK\$'000	2024 HK\$'000
Cash and cash equivalents	480	20
Gross exposure from recognised financial assets and liabilities	480	20

The following table illustrates the sensitivity of the Group's loss for the year and equity in response to a 5% depreciation in Global Telecom's functional currency against US\$. The 5% is the rate used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial year and held constant throughout the year.

	2025 HK\$'000	2024 HK\$'000
(Decrease)/increase in loss for the year and (increase)/decrease in retained earnings KRW (weakened)/strengthened against US\$ by:		
-5%	19	1
+5%	(19)	(1)

The sensitivity analysis for the year ended 31 December 2025 has been prepared on the same basis.

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency transactions. Nevertheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

## 43. FAIR VALUE MEASUREMENTS

Fair values of the Group's financial assets and liabilities at amortised cost are not materially different from their carrying amounts as explained in note 42.

### Financial instruments measured at fair value

#### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the reporting date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;
- Level 3: Fair value measured using significant unobservable inputs (i.e. not derived from market data).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

### 43. FAIR VALUE MEASUREMENTS (CONTINUED)

#### Financial instruments measured at fair value (Continued)

#### Fair value hierarchy (Continued)

The following table presents the Group's assets that are measured at fair value:

Description	Fair value measurements using:			Total
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	2025 HK\$'000
<b>Financial assets at FVTPL (Non-current)</b>				
Unlisted equity securities	–	4,256	–	4,256

Description	Fair value measurements using:			Total
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	2024 HK\$'000
<b>Financial assets at FVTPL (Non-current)</b>				
Unlisted equity securities	–	3,945	–	3,945

The fair value of the unlisted equity securities mainly representing investment in KSFC is determined by the redemption price provided by KSFC as at the reporting date.

At 31 December 2025, the Group's unlisted equity securities are grouped under Level 2 (2024: Level 2) category.

There were no transfers between levels during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 44. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged for the year.

The Group sets the amount of capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

The capital structure of the Group consists of debts, which includes loans from shareholders, loan from the ultimate holding company, amount due to a shareholder, amount due to a non-controlling interest, lease liabilities and convertible notes disclosed in notes 25, 26, 31(b) and 28 and equity of the Group, comprising share capital and reserves. The Group's risk management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratios which are determined as total borrowings to total equity of the Group as at 31 December 2025 are as follows:

	2025 HK\$'000	2024 HK\$'000
Lease liabilities	3,582	2,631
Amount due to a non-controlling interest	188	188
Loans from shareholders	9,679	5,800
Loan from the ultimate holding company	9,780	–
Amount due to a shareholder	1,376	1,376
Convertible notes	–	2,026
Total borrowings	24,605	12,021
Total equity	117,877	151,372
Gearing ratio	20.9%	7.9%

# SUMMARY OF FINANCIAL INFORMATION

## FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the five years ended 31 December 2025, as extracted from the audited consolidated financial statements, is set out below:

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Results</b>					
Revenue	414,144	440,086	482,008	617,641	720,569
– Continuing operations	414,144	437,639	453,731	N/A	N/A
– Discontinued operation	–	2,447	28,277	N/A	N/A
Net (loss) profit for the year	(39,677)	(17,793)	(19,114)	(3,969)	8,690
– Continuing operations	(39,677)	(21,045)	(5,548)	N/A	N/A
– Discontinued operation	–	3,252	(13,566)	N/A	N/A
<b>Assets and Liabilities</b>					
As at 31 December					
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	249,448	220,829	275,919	340,234	354,078
Total liabilities	131,571	(69,457)	(92,920)	(206,899)	(212,041)
Total equity	117,877	151,372	182,999	133,335	142,037