

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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

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

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

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

FINANCIAL HIGHLIGHTS

- Unaudited revenue of the Group from continuing operations was approximately HK\$217.0 million for the six months ended 30 June 2024, representing an increase of approximately HK\$28.6 million or 15.2%, as compared to the six months ended 30 June 2023.
- Unaudited loss from continuing and discontinued operations was approximately HK\$4.3 million for the six months ended 30 June 2024, representing a decrease of net loss of approximately HK\$2.5 million or 36.9%, as compared to the six months ended 30 June 2023.
- Unaudited basic and diluted loss per share from continuing and discontinued operations for the six months ended 30 June 2024 was HK cents 0.79 (for the six months ended 30 June 2023: HK cents 1.32).
- Unaudited basic and diluted loss per share from continuing operations for the six months ended 30 June 2024 was HK cents 0.88 (for the six months ended 30 June 2023: HK cents 1.11).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

INTERIM RESULTS

The board of directors (the “**Board**”) of the Company presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024 together with comparative figures as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited) (re-presented)
Continuing operations			
Revenue	3	216,959	188,360
Cost of services		<u>(194,350)</u>	<u>(163,849)</u>
Gross profit		22,609	24,511
Other income, net		1,935	892
Selling and administrative expenses		(31,661)	(28,989)
Finance costs		<u>(92)</u>	<u>(1,443)</u>
Loss before income tax from continuing operations	4	(7,209)	(5,029)
Income tax expense	5	<u>(355)</u>	<u>(322)</u>
Loss for the period from continuing operations		<u>(7,564)</u>	<u>(5,351)</u>
Discontinued operations			
Profit/(loss) for the period from discontinued operations		<u>3,252</u>	<u>(1,487)</u>
Loss for the period		<u>(4,312)</u>	<u>(6,838)</u>
Attributable to:			
– Owners of the Company			
– from continuing operations		(4,793)	(5,351)
– from discontinued operations		453	(964)
– Non-controlling interests			
– from continuing operations		(217)	–
– from discontinued operations		<u>245</u>	<u>(523)</u>
		<u>(4,312)</u>	<u>(6,838)</u>
Loss per share attributable to owners of the Company			
From continuing and discontinued operations	7		
Basic (HK cents)		(0.79)	(1.32)
Diluted (HK cents)		(0.79)	(1.32)
From continuing operations			
Basic (HK cents)		(0.88)	(1.11)
Diluted (HK cents)		<u>(0.88)</u>	<u>(1.11)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (re-presented)
Loss for the period	(4,312)	(6,838)
Other comprehensive expense for the period		
<i>Items that will be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(8,485)</u>	<u>(5,157)</u>
Total comprehensive for the period	<u>(12,797)</u>	<u>(11,995)</u>
Attributable to:		
– Owners of the Company		
– from continuing operations	(13,278)	(10,508)
– from discontinued operations	453	(964)
– Non-controlling interests		
– from continuing operations	(217)	–
– from discontinued operations	<u>245</u>	<u>(523)</u>
	<u>(12,797)</u>	<u>(11,995)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024 HK\$'000 (unaudited)	As at 31 December 2023 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		28,272	32,438
Intangible assets		9,476	10,591
Goodwill		15,966	15,966
Other financial assets	9	4,136	4,412
Rental and other deposits		682	1,154
Prepayments		81	2,070
Defined benefit assets		782	652
Deferred tax assets		4,165	4,879
		<u>63,560</u>	<u>72,162</u>
Current assets			
Inventories	10	2,512	3,327
Trade and other receivables	11	80,533	54,257
Contract assets	12	9,769	7,684
Prepayments		4,173	4,565
Fixed bank deposits		21,142	11,216
Cash and cash equivalents		71,524	122,708
		<u>189,653</u>	<u>203,757</u>
Current liabilities			
Trade and other payables	13	65,524	67,472
Contract liabilities	12	1,910	13,594
Amount due to a shareholder		1,376	1,376
Amount due to a shareholder of a subsidiary		188	188
Lease liabilities		1,127	2,050
Convertible notes	14	1,891	–
Derivative components embedded in convertible notes	14	37	–
Tax payable		–	84
		<u>72,053</u>	<u>84,764</u>
Net current assets		<u>117,600</u>	<u>118,993</u>
Total assets less current liabilities		<u>181,160</u>	<u>191,155</u>

		As at 30 June 2024 <i>HK\$'000</i> (unaudited)	As at 31 December 2023 <i>HK\$'000</i> (audited)
Non-current liabilities			
Lease liabilities		1,935	2,508
Loans from shareholders		<u>5,648</u>	<u>5,648</u>
		<u>7,583</u>	<u>8,156</u>
Net assets		<u><u>173,577</u></u>	<u><u>182,999</u></u>
EQUITY			
Share capital	18	5,467	5,467
Reserves		<u>166,789</u>	<u>176,637</u>
Equity attributable to owners of the Company		<u>172,256</u>	182,104
Non-controlling interests		<u>1,321</u>	<u>895</u>
Total equity		<u><u>173,577</u></u>	<u><u>182,999</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Attributable to equity holders of the Company

	Share capital	Share premium*	Share- based payment reserve*	Capital reserve*	Research and development reserve*	Foreign exchange reserve*	Legal reserve*	Retained earnings*	Total	Non- controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024 (audited)	5,467	103,862	3,542	13,855	3,674	(19,987)	3,124	68,567	182,104	895	182,999
Loss for the period	-	-	-	-	-	-	-	(4,340)	(4,340)	28	(4,312)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(8,485)	-	-	(8,485)	-	(8,485)
Total comprehensive expense	-	-	-	-	-	(8,485)	-	(4,340)	(12,825)	28	(12,797)
Recognition of equity-settled share-based payments	-	-	2,977	-	-	-	-	-	2,977	-	2,977
Lapse of share options	-	-	(479)	-	-	-	-	479	-	-	-
Disposals of subsidiaries (note 16)	-	-	-	-	-	-	-	-	-	398	398
Appropriation	-	-	-	-	-	-	91	(91)	-	-	-
At 30 June 2024 (unaudited)	<u>5,467</u>	<u>103,862</u>	<u>6,040</u>	<u>13,855</u>	<u>3,674</u>	<u>(28,472)</u>	<u>3,215</u>	<u>64,615</u>	<u>172,256</u>	<u>1,321</u>	<u>173,577</u>
At 1 January 2023 (audited)	4,000	35,718	-	13,855	3,674	(16,575)	3,124	88,064	131,860	1,475	133,335
Loss for the period	-	-	-	-	-	-	-	(6,315)	(6,315)	(523)	(6,838)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(5,157)	-	-	(5,157)	-	(5,157)
Total comprehensive expense	-	-	-	-	-	(5,157)	-	(6,315)	(11,472)	(523)	(11,995)
Placing of shares, net (note 16)	800	16,448	-	-	-	-	-	-	17,248	-	17,248
Recognition of equity-settled share-based payments	-	-	1,099	-	-	-	-	-	1,099	-	1,099
At 30 June 2023 (unaudited)	<u>4,800</u>	<u>52,166</u>	<u>1,099</u>	<u>13,855</u>	<u>3,674</u>	<u>(21,732)</u>	<u>3,124</u>	<u>81,749</u>	<u>138,735</u>	<u>952</u>	<u>139,687</u>

* The total of these balances represents “Reserve” in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash used in operating activities	(35,124)	(69,659)
Net cash used in investing activities	(11,459)	(9,938)
Net cash generated from financing activities	<u>1,514</u>	<u>41,240</u>
Net decrease in cash and cash equivalents	(45,069)	(38,357)
Cash and cash equivalents at beginning of the period	122,708	122,561
Effect of exchange rate changes on cash and cash equivalents	<u>(6,115)</u>	<u>(3,209)</u>
Cash and cash equivalents at the end of the period	<u><u>71,524</u></u>	<u><u>80,995</u></u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u><u>71,524</u></u>	<u><u>80,995</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

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 Stock Exchange since 8 July 2016. 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.

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 condensed consolidated interim financial statements are presented in HK\$ which is also the functional currency of the Company. As the Company's shares (the "**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.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures required by the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial statements for the six months ended 30 June 2024 are consistent with those adopted in the annual financial statements for the year ended 31 December 2023. The condensed consolidated interim financial statements for the six months ended 30 June 2024 should be read in conjunction with the annual financial statements for the year ended 31 December 2023.

On 1 January 2024, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**"), amendments and interpretations issued by the HKICPA that are effective from that date and are relevant to its operations. The adoption of these new/revised HKFRSs, amendments and interpretations has no material effect on the results reported for the current or prior periods.

3. REVENUE AND SEGMENT INFORMATION

The Group's business is organised into two segments:

- (i) system integration; and
- (ii) maintenance services.

Segment revenue and profit contribution from continuing operations are:

(a) Business segments:

	Six months ended 30 June							
	2024				2023			
	System integration	Maintenance services	Other services	Total	System integration	Maintenance services	Other services	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Total segment revenue	131,262	82,040	4,270	217,572	119,158	69,202	4,392	192,752
Inter-segment revenue	—	—	(613)	(613)	—	—	(4,392)	(4,392)
Revenue from external customers	<u>131,262</u>	<u>82,040</u>	<u>3,657</u>	<u>216,959</u>	<u>119,158</u>	<u>69,202</u>	<u>—</u>	<u>188,360</u>
Gross (loss)/profit/segment results	(1,057)	20,803	2,863	22,609	9,261	12,756	2,494	24,511
Other income – net				1,935				892
Selling and administrative expenses				(31,661)				(28,989)
Finance costs				(92)				(1,443)
Loss before income tax				(7,209)				(5,029)
Income tax expense				(355)				(322)
Loss for the period				<u>(7,564)</u>				<u>(5,351)</u>

(b) Geographic information:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
		(re-presented)
Korea	213,302	188,360
Hong Kong	<u>3,657</u>	<u>—</u>
Total	<u>216,959</u>	<u>188,360</u>

(c) Revenue analysis:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue from customers and recognised over time		
– Revenue from system integration services	131,262	119,158
– Revenue from system maintenance services	82,040	69,202
– Revenue from other services	3,657	–
	<u>216,959</u>	<u>188,360</u>

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

	Six months ended 30 June							
	2024				2023			
	System integration	Maintenance services	Other services	Total	System integration	Maintenance services	Other services	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Type of goods or services								
– Cloud infrastructure	129,810	80,693	–	210,503	113,660	67,047	–	180,707
– Security (including cyber security)	1,452	1,347	3,527	6,326	5,498	2,155	–	7,653
– Other	–	–	130	130	–	–	–	–
Total revenue from contracts with customers	<u>131,262</u>	<u>82,040</u>	<u>3,657</u>	<u>216,959</u>	<u>119,158</u>	<u>69,202</u>	<u>–</u>	<u>188,360</u>
Type of customers								
– Public sector	63,465	66,110	–	129,575	58,811	55,363	–	114,174
– Private sector	67,797	15,930	3,657	87,384	60,347	13,839	–	74,186
Total revenue from contracts with customers	<u>131,262</u>	<u>82,040</u>	<u>3,657</u>	<u>216,959</u>	<u>119,158</u>	<u>69,202</u>	<u>–</u>	<u>188,360</u>
Type of contract duration								
– Within twelve months period	128,822	42,634	3,657	175,113	101,063	30,493	–	131,556
– Over twelve months but less than twenty four months	2,440	9,861	–	12,301	17,302	10,166	–	27,468
– Over twenty four months	–	29,545	–	29,545	7,993	28,543	–	29,336
Total revenue from contracts with customers	<u>131,262</u>	<u>82,040</u>	<u>3,657</u>	<u>216,959</u>	<u>119,158</u>	<u>69,202</u>	<u>–</u>	<u>188,360</u>

4. LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (re-presented)
Costs of inventories recognised as expenses	118,885	117,238
Employee costs	42,036	34,877
Subcontracting costs	51,225	27,650
Net provision for impairment of trade receivables	1,345	9
Amortisation of intangible assets	–	627
Depreciation of property, plant and equipment	1,107	1,246
Depreciation of right-of-use assets	809	662
Research and development costs	2,778	2,433
Interest on lease liabilities	80	68
Short term lease expenses	233	135
	<u>118,885</u>	<u>117,238</u>

5. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (re-presented)
Continuing operations		
Current tax		
– Korea	(2)	24
Deferred Tax		
– Korea	(300)	(50)
– Hong Kong	(53)	(296)
	<u>(353)</u>	<u>(346)</u>
Total	<u>(355)</u>	<u>(322)</u>

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 9.9% to 23.1% (for the six months ended 30 June 2023: from 11.0% to 24.2%) on the estimated assessable profit of Global Telecom derived worldwide during the six months ended 30 June 2024. The Korea Corporate Income Tax rates applicable to Global Telecom for the six months ended 30 June 2024 are as follows:

- 9.9% (for the six months ended 30 June 2023: 11%) on assessable profit up to the first KRW200 million (equivalent to approximately HK\$1.2 million) for the six months ended 30 June 2024 (six months ended 30 June 2023: KRW200 million (equivalent to approximately HK\$1.2 million)).
- 20.9% (for the six months ended 30 June 2023: 22%) on assessable profit in excess of KRW200 million (equivalent to approximately HK\$1.2 million) for the six months ended 30 June 2024 (for the six months ended 30 June 2023: KRW200 million (equivalent to approximately HK\$1.2 million)) and up to KRW20 billion (equivalent to approximately HK\$119.8 million) for the six months ended 30 June 2024 (six months ended 30 June 2023: KRW20 billion (equivalent to approximately HK\$121.3 million)); and
- 23.1% (for the six months ended 30 June 2023: 24.2%) on assessable profit in excess of KRW20 billion (equivalent to approximately HK\$119.8 million) for the six months ended 30 June 2024 (for the six months ended 30 June 2023: KRW20 billion (equivalent to approximately HK\$121.3 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.

6. DISCONTINUED OPERATIONS

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

The financial performance and cash flow information of cyber security services segment for the six months ended 30 June 2024 and 2023 are presented as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue	2,447	14,694
Cost of services	<u>(1,449)</u>	<u>(13,382)</u>
Gross profit	998	1,312
Other income, net	–	21
Selling and administrative expenses	(289)	(2,909)
Finance costs	<u>(11)</u>	<u>(40)</u>
Profit/(loss) before income tax from discontinued operations	698	(1,616)
Income tax credit	<u>–</u>	<u>129</u>
Profit/(loss) for the period after income tax from discontinued operations	698	(1,487)
Gains on disposals of subsidiaries (<i>note 16</i>)	<u>2,554</u>	<u>–</u>
Profit/(loss) for the period from discontinued operations	<u>3,252</u>	<u>(1,487)</u>
Cash flows from discontinued operation:		
Net cash used in operating activities	(1,671)	(4,119)
Net cash used in financing activities	<u>(41)</u>	<u>(268)</u>
Net cash flows	<u>(1,712)</u>	<u>(4,387)</u>

The carrying amounts of Maximus Group at the date of disposal are disclosed in note 16.

7. BASIC AND DILUTED LOSS PER SHARE

From continuing operations

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

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited) (re-presented)
Loss		
Loss for the period attributable to owners of the Company, used in the basic and diluted loss per share calculation	<u>(4,793)</u>	<u>(5,351)</u>
	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of diluted Loss per share	<u>546,680</u>	<u>480,000</u>

The computation of diluted loss per share for the six months ended 30 June 2024 and 2023 does not assume the exercise of share options and conversion of the convertible note since their assumed exercise would result in a decrease in 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.

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to owners of the Company, used in the basic and diluted loss per share calculation	<u>(4,340)</u>	<u>(6,315)</u>

The denominators used are the same as those detailed above for both basic and diluted loss per share from continuing operations.

From discontinued operations

Basic earnings per share from discontinued operations for the six months ended 30 June 2024 is HK\$0.59 cents per share (six months ended 30 June 2023: HK\$0.31 loss per share) and diluted earnings per share from discontinued operations for the six months ended 30 June 2024 is HK\$0.59 cents per share (six months ended 30 June 2023: HK\$0.31 loss per share), based on the profit from the discontinued operations for the six months ended 30 June 2024 of HK\$3,252,000 (six months ended 30 June 2023: loss of HK\$1,487,000) and the denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing operations.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 and 2023.

9. OTHER FINANCIAL ASSETS

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Financial assets measured at fair value through profit or loss (“FVTPL”):		
Unlisted equity securities		
– Korea Software Financial Cooperative (“KSFC”)	4,102	4,376
– Korea Broadcasting & Communication Financial Cooperative	34	36
	4,136	4,412

10. INVENTORIES

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Hardware and software	2,512	3,327

11. TRADE AND OTHER RECEIVABLES

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Trade receivables	79,276	59,860
Less: Provision for impairment	<u>(15,557)</u>	<u>(15,551)</u>
Trade and bill receivables, net (<i>note (a)</i>)	63,719	44,309
Accrued interest	348	100
Rental and other deposits	14,139	9,327
Other receivables	<u>2,327</u>	<u>521</u>
Total trade and other receivables	<u><u>80,533</u></u>	<u><u>54,257</u></u>

Note:

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

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
0–90 days	41,062	39,117
91–180 days	3,292	4,490
181–365 days	19,365	311
1–2 years	<u>–</u>	<u>391</u>
	<u><u>63,719</u></u>	<u><u>44,309</u></u>

Movement in the loss allowance account in respect of trade receivables during the period/year is as follows:

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Carrying amount at beginning of the period/year	15,551	15,176
Provision of impairment losses recognised during the period/year	1,345	754
Exchange realignment	<u>(1,339)</u>	<u>(379)</u>
Carrying amount at end of the period/year	<u><u>15,557</u></u>	<u><u>15,551</u></u>

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Contract assets		
Arising from performance under system integration	9,769	6,656
Arising from performance under cyber security services	—	3,733
	<u>9,769</u>	<u>7,684</u>
Contract liabilities		
Billings in advance of performance under system integration	1,910	3,823
Billings in advance of performance under cyber security services	—	9,771
	<u>1,910</u>	<u>13,594</u>

13. TRADE AND OTHER PAYABLES

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Trade payables (<i>note (a)</i>)	55,212	48,899
Accruals and other payables	5,936	11,826
Advances receipts	565	295
Value-added tax payables	3,811	6,452
	<u>65,524</u>	<u>67,472</u>

Note:

- (a) 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:

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
0–30 days	48,674	44,441
31–60 days	3,114	2,967
61–90 days	1,694	240
91–180 days	1,004	695
181–365 days	224	26
Over 1 year	502	530
	<u>55,212</u>	<u>48,899</u>

14. 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.

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 value of the derivative components is 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.

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:

	30 June 2024 <i>HK\$'000</i>
Nominal value of convertible notes issued	2,000
Transaction cost related to liability component	(82)
Derivative components	(37)
	<hr/>
Liability component at date of issue	1,881
Interest charged	10
	<hr/>
Liability components at 30 June 2024	1,891
	<hr/> <hr/>
Derivative components at date of issue and 30 June 2024	37
	<hr/> <hr/>

The interest charged for the period 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 measurements).

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 Option Pricing Model (level 3 fair value measurement). The key assumptions used are as follows:

	30 June 2024	Date of issue
Weighted average share price	0.490	0.500
Weighted average exercise price	0.500	0.500
Expected volatility	88.98%	88.98%
Expected life	0.96 years	1 year
Risk-free rate	4.12%	4.12%
Expected dividend yield	0.00%	0.00%

15. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF KEY MANAGEMENT

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Remuneration of directors and other members of key management	<u>8,980</u>	<u>5,864</u>

16. DISPOSALS OF SUBSIDIARIES

As referred to in note 6, on 24 January 2024, the Group discontinued its cyber security services segment at the time of disposal of Maximus Group. The net assets of Maximus Group at the date of disposal were as follows:

	<i>HK\$'000</i>
	(unaudited)
Consideration received:	
Cash and cash equivalents	<u>1,820</u>

**24 January
2024
HK\$'000
(unaudited)**

Analysis of assets and liabilities over which control was lost:

Property, plant and equipment	1,653
Contract assets	1,267
Trade and other receivables	6,561
Amount due from a related party	71
Prepayment	1,885
Cash and cash equivalents	298
Trade and other payables	(1,086)
Amount due to a related party	(1,467)
Contract liabilities	(9,109)
Lease liabilities	(1,205)
	(1,132)
Net liabilities disposed of	(1,132)

**HK\$'000
(unaudited)**

Gains on disposals of subsidiaries:

Consideration received in cash and cash equivalents	1,820
Net liabilities disposed of	1,132
Non-controlling interests	(398)
	2,554
Gains on disposals of subsidiaries (<i>note 6</i>)	2,554

**HK\$'000
(unaudited)**

Net cash inflow arising on disposal:

Consideration-received in cash and cash equivalents	1,820
Less: cash and cash equivalents disposed of	(298)
	1,522
	1,522

17. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The Company operates a share option scheme (the “**Share Option 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, 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. The Share Option Scheme became effective on 21 June 2016 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the Shares in issue. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the Share Option Scheme, if earlier.

The exercise price of the share options is determinable by the Board, but may not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of the offer of the share options; (ii) the average closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Shares on the date of the offer, when applicable.

Share options do not confer rights on the holder to dividends or to vote at general meetings.

Details of the specific categories of 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 ⁽¹⁾
Employees				
3 April 2023	3 April 2023 to 2 April 2024	3 April 2024 to 2 April 2033	0.656	19,200,000 ⁽¹⁾
5 October 2023	5 October 2023 to 4 October 2024	5 October 2024 to 4 October 2033	0.840	5,800,000 ⁽¹⁾
15 January 2024	15 January 2024 to 14 January 2025	15 January 2025 to 14 January 2034	0.600	4,800,000 ⁽²⁾

Notes:

- (1) There is no performance target attached to the above share options granted.
- (2) The grant and the vesting of the share options is subject to the performance target to be achieved by the Grantee. Such performance target is classified as a non-market condition and shall not be taken into account when estimating the fair value of the share options as at the measurement date.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

Details of the movement of share options during the period are as follows:

	30 June 2024		30 June 2023	
	Number of share options (Unaudited)	Weighted average exercise price HK\$ (Unaudited)	Number of share options (Unaudited)	Weighted average exercise price HK\$ (Unaudited)
Outstanding at the beginning of the period	17,800,000	0.76	–	N/A
Granted during the period	4,800,000	0.60	24,000,000	0.69
Lapsed during the period	(2,400,000)	0.66	(7,200,000)	0.66
Exercised during the period	–	N/A	–	N/A
Cancelled during the period	–	N/A	–	N/A
Outstanding at the end of the period	<u>20,200,000</u>	<u>0.73</u>	<u>16,800,000</u>	<u>0.70</u>
Exercisable at the end of the period	<u>9,600,000</u>	<u>0.73</u>	<u>–</u>	<u>N/A</u>

The options outstanding at the end of the period have a weighted average remaining contractual life of 9.12 years (for the six months ended 30 June 2023: 9.8 years) and the exercise prices range from HK\$0.60 to HK\$0.84 (for the six months ended 30 June 2023: HK\$0.66 to HK\$0.81).

During the six months ended 30 June 2024, options were granted on 15 January 2024. The estimated fair value of the options on this date is approximately HK\$1,428,000.

These fair values were calculated using the 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
Weighted average share price	HK\$0.640	HK\$0.810	HK\$0.810	HK\$0.520
Weighted average exercise price	HK\$0.656	HK\$0.810	HK\$0.840	HK\$0.600
Expected volatility	78.66%–84.71%	84.54%	87.18%	84.63%
Expected life	2–10 years	10 years	2 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 calculating the historical volatility of the Company's share price over the previous 2 years or since its initial public offering to the valuation date. 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\$2,977,000 for the six months ended 30 June 2024 (for the six months ended 30 June 2023: HK\$1,099,000) in relation to share options granted by the Company.

18. SHARE CAPITAL

	Number		Amount	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	'000	'000	'000	'000
	(unaudited)	(audited)	(unaudited)	(audited)
Authorised:				
<i>Ordinary share of HK\$0.01 each</i>				
At beginning and end of the period/year	5,000,000	5,000,000	50,000	50,000
Ordinary shares, issued and fully paid:				
At beginning of the period/year	546,680	400,000	5,467	4,000
Placing and allotment of shares (<i>notes (a), (b) and (c)</i>)	–	146,680	–	1,467
At end of the period/year	546,680	546,680	5,467	5,467

Notes:

- (a) On 17 February 2023, the Company placed 80,000,000 new shares to not less than six places at the placing price of HK\$0.22 per placing share with total gross proceeds of HK\$17,600,000 and the related issue expenses were approximately HK\$352,000.
- (b) On 24 August 2023, the Company placed 66,005,000 new shares to not less than six places at the placing price of HK\$0.79 per placing share with total gross proceeds of HK\$52,144,000 and the related issue expenses were approximately HK\$261,000.
- (c) On 25 October 2023, the Company issued 675,000 subscription shares to an employee at the subscription price of HK\$0.74 per share with total gross proceeds of HK\$500,000 and the related issue expenses were approximately HK\$20,000.

19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and liabilities of not materially different from their carrying amounts as at 30 June 2024 and 31 December 2023.

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 end of the reporting period 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 valuations:	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 valuations:	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 valuations:	Fair value measured using significant unobservable inputs.

The following table presents the Group's assets and liabilities that are measured at fair value.

At 30 June 2024

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Financial assets at FVTPL (Non-current):				
Unlisted equity securities	–	4,136	–	4,136
Financial liabilities (Current)				
Derivative components embedded in convertible notes	–	–	(37)	(37)
	<u>–</u>	<u>–</u>	<u>(37)</u>	<u>(37)</u>

At 31 December 2023

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial assets at FVTPL (Non-current)				
Unlisted equity securities	–	4,412	–	4,412
	<u>–</u>	<u>4,412</u>	<u>–</u>	<u>4,412</u>

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.

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Reconciliation of Level 3 fair value measurements

**Derivative
components
embedded
in
convertible
notes**
HK\$'000

At January 2024 (audited)	–
Issuance of convertible notes	37
	37
At 30 June 2024 (unaudited)	37
	37

Information about level 3 fair value measurements

	Valuation techniques	Significant unobservable input	Range	Effect on fair value for increase of inputs
Derivative components embedded in convertible notes	Binomial Option Pricing Model	Expected volatility	88.98%	Increase
		Discount rate	14.95%	Increase

The fair value of derivative component embedded in convertible notes are determined using Binomial Option Pricing Model and the significant unobservable inputs in the fair value measurement are expected volatility and discount rate.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally engaged in the provision of (i) integration of systems with network connectivity, cloud computing and security elements; and (ii) maintenance services.

In recent years, the unstable worldwide economic atmosphere and the reduction of budget by public and private sectors for cyber security services, it led to a decline in the Group's revenue from cyber security services, therefore, in view of the continuous loss making operations of 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., the Maximus Group has been disposed on 24 January 2024, for improving the overall financial position of the Group.

Meanwhile, the Group has actively developed and evaluated the trend of technologies, in relation to digital assets, such as non-fungible tokens ("**NFT**"), blockchain and metaverse etc., during the six months ended 30 June 2024. The Directors has reviewed the recent market trend and the assets management of the respective digital assets ("**VA Assets Management**") and are of the view that the sector of asset management and the relative businesses are expected to have great potential and can bring long-term benefits to the Group. On 17 April 2024, a direct wholly owned subsidiary of the Company has entered into the Acquisition Agreement to acquire the entire issues share capital of a company incorporated in Hong Kong with limited liability, which is principally engaged in the provision of Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "**SFO**", Cap. 571 of the Laws of Hong Kong) in Hong Kong (the "**Target**"). The Group plans to use the Target as its initial platform for the start-up on the financial service sector. By tapping the VA Assets Management into the Group's existing business units such as blockchain and metaverse and through the integration of the existing technologies of the Group to the operation of the Target, it will solidify and empower the existing business sectors of the Group and thus enhance more profits and return. Further details of the acquisition are set out in the Company's announcements dated 17 April 2024, 30 April 2024 and 6 May 2024, respectively. As at the date of this announcement, the above acquisition has not yet completed.

Set out below were the details of the movement of the number of projects for the six months ended 30 June 2024:

	<i>HK\$'000</i>
Opening backlog as at 1 January 2024	202,707
New booking during the period	213,136
Revenue recognised during the period	<u>216,959</u>
Closing backlog as at 30 June 2024	<u><u>198,884</u></u>

PROSPECTS

Looking ahead, the management team of the Group will continue to utilize and strengthen the expertise and experience of technologies relating the digital assets. The Group always believes that the development of digital assets has opened new business opportunities for us and enhanced our market competitiveness.

The last but not least, the management team of the Group is closely monitoring the market conditions and seeking for opportunity to carry out new projects and transactions which could bring economic value and benefit to our shareholders.

FINANCIAL REVIEW

REVENUE

For the six months ended 30 June 2024, the Group posted a revenue of HK\$217.0 million which represented an increase by HK\$28.6 million or 15.2% when compared to a revenue of HK\$188.4 million in the same corresponding period in 2023, such increase was because the increase of (i) order for maintenance services of cloud infrastructure in Korea; and (ii) revenue from Hong Kong.

An analysis on the Group's revenue is presented below:

- Korea contributed HK\$213.3 million for the six months ended 30 June 2024, increased by HK\$24.9 million or 13.2% compared to HK\$188.4 million a year ago. Eliminating the effect of translation of reporting currency, the increase of revenue by KRW5.5 billion or 17.6% from KRW31.3 billion for the six months ended 30 June 2023 to KRW36.8 billion for the six months ended 30 June 2024 was moderated. Business in Hong Kong contributed HK\$3.7 million for the six months ended 30 June 2024, which was HK\$3.7 million or 100% higher as compared to HK\$nil in the same corresponding period in 2023.
- Segment revenue of system integration, maintenance services and other services were HK\$131.3 million, HK\$82.0 million and HK\$3.7 million respectively (for the six months ended 30 June 2023: HK\$119.2 million, HK\$69.2 million and HK\$nil million respectively), accounting for 60.5%, 37.8% and 1.7% of the Group's revenue for the six months ended 30 June 2024 (for the six months ended 30 June 2023: 63.3%, 36.7% and 0.0%).
- For the six months ended 30 June 2024, public sector contributed HK\$129.6 million in revenue, which was HK\$15.4 million or 13.5% increase; and private sector contributed HK\$87.4 million which was HK\$13.2 million or 17.8% increase as compared to year-ago period.

GROSS PROFIT

The Group's gross profit slightly decreased by approximately HK\$1.9 million or 7.8% from HK\$24.5 million for the six months ended 30 June 2023 to HK\$22.6 million for the six months ended 30 June 2024, such decrease was mainly attributable to an increase of cost of services.

SELLING AND ADMINISTRATIVE EXPENSES

The Group's selling and administrative expenses increased by approximately HK\$2.7 million or 9.0% to HK\$31.7 million for the six months ended 30 June 2024 compared to the same corresponding period a year ago (for the six months ended 30 June 2023: approximately HK\$29.0 million). The increase was mainly attributable to the share based payment.

LOSS FOR THE PERIOD

The Group recorded a loss for the six months ended 30 June 2024 of approximately HK\$4.3 million, representing a reduction in loss of HK2.5 million.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group's net current assets were HK\$117.6 million showing a strong liquidity.

The Group expresses its gearing ratio as a percentage of total debt over total equity. As at 30 June 2024, the gearing ratio was 7.1% (as at 31 December 2023: 6.4%), such increase was due to the issuance of convertible note.

As at 30 June 2024, the liquidity ratio, represented by a ratio of current assets over current liabilities, was 2.6 times (as at 31 December 2023: 2.4 times), reflecting the adequacy of financial resources.

As at 30 June 2024, the Group recorded cash and cash equivalents of approximately HK\$71.5 million (as at 31 December 2023: approximately HK\$122.7 million), which included approximately KRW11,362 million, HK\$6.0 million and small amount of US dollars ("US\$"), Singapore dollars and Great Britain Pound.

As at 30 June 2024, the Group had no bank borrowings (as at 31 December 2023: Nil).

INTERIM DIVIDENDS

The Board has resolved not to declare any dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

FOREIGN EXCHANGE EXPOSURE

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

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

CHARGES ON GROUP'S ASSETS

As at 30 June 2024, the Group had no charges on Group's assets.

MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any material investments and capital assets for the six months ended 30 June 2024.

SIGNIFICANT ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

(a) Disposal of Maximus Group

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 at a cash consideration of HK\$1,820,000.

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

(b) Acquisition of a company which is principally engaged in the provision of Type 9 (asset management) regulated activities under the SFO

On 17 April 2024, a direct wholly owned subsidiary of the Company has entered into the Acquisition Agreement to acquire the Target. The VA Assets Management can often leverage advanced technologies, such as blockchain, smart contracts and artificial intelligence which can not only optimize the investment strategies, but also ensure the security and enhance the operational efficiency.

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

Further details of the acquisition are set out in the Company's announcements dated 17 April 2024, 30 April 2024 and 6 May 2024, respectively.

As at the date of this announcement, the above acquisition has not yet completed.

Save as disclosed above, the Group had no other material acquisitions or disposals during the six months ended 30 June 2024.

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

On 7 June 2024, the Company entered into a Subscription Agreement (the "**Subscription Agreement**") with Mr. Huang Zhenxiu (the "**Subscriber**"), an independent third party to the Group, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue Convertible Notes in the aggregate principal amount of HK\$2,000,000 at the Conversion Price of HK\$0.50 per Conversion Shares. 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.

The Convertible Notes shall bear an interest from (and including) the date of issue at the rate of 8.00% per annum on the outstanding principal amount of the Convertible Notes. Details of the terms and conditions of the Subscription Agreement are set out in the Company's announcement dated 7 June 2024.

The estimated net proceeds from the Subscription after deductions of expenses, will amount to approximately HK\$1,900,000. The net proceeds are currently intended to be used to fund the operation and business expansion of Vantage Asset Management Limited ("**VAML**") after completion of the acquisition by the Company of the entire issued share capital of VAML ("**VAML Acquisition**"). In the event the VAML Acquisition does not materialized, the net proceeds will be used by the Company as the Group general working capital.

The Directors are of the view that the Subscription shows the confidence of the Subscriber in the business and future development of the Group and the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

As all the Conditions Precedent have been fulfilled and the Company has on 17 June 2024 issued the Convertible Notes in the aggregate principal amount of HK\$2,000,000 to the Subscriber.

USE OF PROCEEDS

As at the date of this announcement, the Group has not yet utilised the entire net proceeds from the issue of the Convertible Notes as the VAML acquisition has not yet be completed.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENT

As at 30 June 2024, the Group did not have any significant capital commitments.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had an aggregate of 221 (as at 30 June 2023: 253) employees comparable to the number of employee for the same corresponding period in last year.

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\$42.0 million for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately HK\$42.8 million).

The Group has adopted a share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible persons who contributed to the success of the Group's operation. On 3 April 2023, 16 May 2023, 5 October 2023 and 15 January 2024, the Company offered to grant a total of 19,200,000 share options, a total of 4,800,000 share options, a total of 5,800,000 share options and 4,800,000 share options, respectively, to grantees who are employees and a Director under the Share Option Scheme since its adoption. Further details of the above grant of share options are set out in the Company's announcements as dates aforementioned.

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.

OTHER INFORMATION

SHARE OPTION SCHEME

The Company has Share Option Scheme which was approved and adopted by the written resolutions of the then sole shareholder of the Company passed on 21 June 2016.

As at 1 January 2024, the total numbers of share options available for grant under the Share Option Scheme were 10,200,000.

The number of shares that may be issued in respect of options granted under the Share Option Scheme of the Company as at 30 June 2024 divided by the weighted average numbers of shares in issue (excluding treasury shares) was approximately 3.7%.

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

As at 30 June 2024, the maximum number of Shares which may be issued upon exercise of all options that may be granted under the existing Share Option Scheme limit is 5,400,000 Shares, representing approximately 0.98% of the Company's issued share capital as at the date of this interim report.

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 his compliance with the Securities Dealing Code during the six months ended 30 June 2024.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the six months ended 30 June 2024, none of the Directors or the controlling shareholders or their respective 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.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to its shareholders and protecting and enhancing shareholder value through solid corporate governance.

The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code in Part 2 of Appendix C1 to the GEM Listing Rules (the "**CG Code**") and in relation to, among others, our Directors, Chairlady and Chief Executive Officer, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communications with the shareholders of the Company.

To the best knowledge of the Board, the Company had complied with the code provisions in the CG Code during the six months ended 30 June 2024.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SECURITIES

The Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares (including sale of treasury shares (as defined under the GEM Listing Rules)) during the six months ended 30 June 2024.

REVIEWED BY AUDIT COMMITTEE

The Company established an audit committee ("**Audit Committee**") with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code. For the six months ended 30 June 2024, the Audit Committee consists of 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 possesses the appropriate professional accounting qualifications and serves as the chairman of the Audit Committee.

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 auditors, and arrangement 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 has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made. The Audit Committee also monitored the Company's progress in implementing the code provisions of CG Code as required under the GEM Listing Rules.

By order of the Board
Future Data Group Limited
Tao Hongxia
Chairlady and non-executive Director

Hong Kong, 29 August 2024

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

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