FDB HOLDINGS LIMITED
豐展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1826)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2022	2021	Change %
Revenue *(HK$'000)*	**357,154**	382,273	(6.6%)
Gross profit/(loss) *(HK$'000)*	**7,331**	(29,916)	N/A
Loss before tax from continuing operations *(HK$'000)*	**(1,588)**	(64,830)	97.6%

- The Group's revenue amounted to approximately HK$357.2 million for the year ended 31 December 2022, representing a decrease of approximately HK$25.1 million or approximately 6.6% as compared with the year ended 31 December 2021 from continuing operations.

- The loss before tax from continuing operations is approximately HK$1.6 million for the year ended 31 December 2022 from continuing operations, improved as compared with loss of approximately HK$64.8 million for the year ended 31 December 2021.

- The Board does not recommend the payment of final dividend for the year ended 31 December 2022.

AUDITED ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of FDB Holdings Limited (formerly known as Steering Holdings Limited) (the "**Company**", together with its subsidiaries the "**Group**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries for the year ended 31 December 2022 (the "**Year**") together with the comparative audited figures for the year ended 31 December 2021. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	**2022** **HK$'000**	2021 *HK$'000*
Continuing operations			
Revenue	*4*	**357,154**	382,273
Cost of services		**(349,823)**	(412,189)
Gross profit/(loss)		**7,331**	(29,916)
Other income	*5*	**7,962**	673
Other gains and losses, net		**–**	(395)
Gain on deconsolidation of a subsidiary	*13*	**10,902**	–
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	*6*	**(6,292)**	(2,919)
Administrative expenses		**(21,393)**	(31,988)
Finance costs		**(98)**	(285)
Loss before tax from continuing operations	*7*	**(1,588)**	(64,830)
Income tax credit	*9*	**36**	–
Loss for the year from continuing operations		**(1,552)**	(64,830)
Discontinued operations			
Profit for the period/year		**–**	2,826
Gain on disposals of subsidiaries		**583**	103,433
Profit for the year from discontinued operations, net of tax		**583**	106,259
(Loss)/profit for the year		**(969)**	41,429
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**–**	(4,826)
Exchange differences on translation from functional currency to presentation currency		**–**	(49)
		–	(4,875)

	Notes	**2022** **HK$'000**	2021 HK$'000
Items that may be reclassified subsequently to profit or loss:			
Reclassification of cumulative translation of foreign operations		**53**	(11,953)
Exchange differences arising on translation of foreign operations		**–**	(1,929)
		53	(13,882)
Other comprehensive income/(loss) for the year		**53**	(18,757)
Total comprehensive (loss)/income for the year		**(916)**	22,672
(Loss)/profit for the year attributable to:			
Owners of the Company			
From continuing operations		**(1,552)**	(64,830)
From discontinued operations		**583**	104,930
Non-controlling interests			
From discontinued operations		**–**	1,329
		(969)	41,429
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company			
From continuing operations		**(1,499)**	(69,705)
From discontinued operations		**583**	92,115
Non-controlling interests			
From discontinued operations		**–**	262
		(916)	22,672
(Loss)/earnings per share, basic and diluted *(HK cents)*	*10*		
— For continuing operations		**(0.1)**	(4.9)
— For discontinued operations		**–***	7.9
For continuing and discontinued operations		**(0.1)**	3.0

* Amounts less than HK$1 cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	Notes	**2022** *HK$'000*	2021 *HK$'000*
Non-current assets			
Property, plant and equipment		**668**	185
Right-of-use assets		**595**	3,161
		1,263	3,346
Current assets			
Contract assets		**93,572**	87,918
Trade and other receivables	*11*	**79,535**	123,967
Tax recoverable		**–**	180
Pledged deposits		**20,900**	9,883
Bank balances and cash		**31,589**	9,551
		225,596	231,499
Assets classified as held for sale	*14*	**–**	6,038
		225,596	237,537
Current liabilities			
Trade and other payables	*12*	**168,196**	165,836
Contract liabilities		**1,176**	–
Amounts due to a shareholder		**8,000**	14,149
Lease liabilities		**599**	3,752
		177,971	183,737
Liabilities associated with assets classified as held for sale	*14*	**–**	6,553
		177,971	190,290
Net current assets		**47,625**	47,247
Total assets less current liabilities		**48,888**	50,593

	2022	2021
	HK$'000	*HK$'000*
Non-current liabilities		
Deferred tax liabilities	**20**	56
Lease liabilities	**–**	632
	20	688
Net assets	**48,868**	49,905
Capital and reserves		
Share capital	**13,320**	13,320
Reserves	**35,548**	36,464
Equity attributable to owners of the Company	**48,868**	49,784
Non-controlling interests	**–**	121
Total equity	**48,868**	49,905

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL

FDB Holdings Limited (formerly known as Steering Holdings Limited) (the "**Company**") was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 March 2015. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Its immediate holding company is Masterveyor Holdings Limited ("**Masterveyor**"), a company incorporated in the British Virgin Islands. Its ultimate controlling shareholder is Mr. Ng Kin Siu ("**Mr. Ng**"), who is an executive director and chief executive officer of the Company and chairman of the Board.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the provision of contracting business and project management.

The consolidated financial statements are presented in Hong Kong Dollar ("**HK$**") to suit the needs of the shareholders and investors. All values are rounded to the nearest thousand except when otherwise stated.

Changes in functional currency of the Company

Prior to 1 January 2022, the Renminbi ("**RMB**") was regarded as the functional currency of the Company while the consolidated financial statements were presented in HK$. Following the discontinuance of the business of financial information and technology services during the year ended 31 December 2021, the Directors consider that the primary economic environment in which the Group operates has changed and therefore changed the functional currency of the Company from RMB to HK$ with effect from 1 January 2022. The change in functional currency of the Company was applied prospectively from the date of change, 1 January 2022, in accordance with HKAS 21 The Effects of Changes in Foreign Exchange Rates.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2024.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of the preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, 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. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. REVENUE AND SEGMENT INFORMATION

The Group recognises revenue from continuing operations was contracting business and project management (the "**contracting service**").

The consultancy service and financial information and technology service were presented discontinued operations during the year ended 31 December 2021.

(i) Disaggregation of revenue from contracts with customers

Continuing operations

	2022	2021
	HK$'000	*HK$'000*
Types of service		
Contracting service	**357,154**	382,273
Geographical markets		
Hong Kong	**357,154**	382,273
Timing of revenue recognition		
Over time	**357,154**	382,273

(ii) Transaction price allocated to the remaining performance obligation for contracts with customers

Continuing operations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022 and 2021 and the expected timing of recognising revenue are as follows:

	2022	2021
	HK$'000	*HK$'000*
Within one year	**169,322**	339,118
More than one year but not more than two years	**–**	83,708
More than two years	**166,910**	142,288
	336,232	565,114

Segment information

The chief operating decision maker ("**CODM**") has been identified as the executive directors who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

Subsequent to the discontinued segments of consultancy service and financial information and technology service, the CODM assesses the performance based on a measure of loss for the year and considers all businesses to be included in a single operating segment which is the contracting service. The comparative information has been restated accordingly.

Information reported to CODM for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All of the Group's activities are carried out in Hong Kong and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis is presented.

Information about major customers

Continuing operations

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2022	2021
	HK$'000	*HK$'000*
Customer A	**102,821**	N/A[1]
Customer B	**95,342**	N/A[1]
Customer C	**44,166**	85,144
Customer D	**38,007**	71,121
Customer E	**N/A[1]**	61,646
Customer F	**N/A[1]**	43,100

[1] The corresponding revenue did not contribute over 10% of total revenue of the Group in the respective year.

No other revenue from transaction with a single external customer amounted to 10% or more of the total revenue of the Group for both years.

5. OTHER INCOME

	2022	2021
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**26**	10
Gain on modification of lease	**523**	434
Government grant *(Note a)*	**2,298**	–
Release of long due accruals *(Note b)*	**4,842**	–
Others	**273**	229
	7,962	673

Notes:

(a) During the current year, the Group recognised government grants of approximately HK$2,298,000 relates to Employment Support Scheme provided by the Hong Kong government in respect of Covid-19-related subsidies.

(b) During the current year, the Group has release approximately HK$4,842,000 of accruals balance that has past due over 6 years but no invoices received after contact.

6. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	2022	2021
	HK$'000	*HK$'000*
Continuing operations		
Impairment losses/(reversal of impairment losses) recognised on:		
— Trade receivables	**(1,145)**	1,737
— Retention receivables	**190**	(226)
— Other receivables and deposits	**1,484**	(161)
— Contract assets	**5,763**	1,569
	6,292	2,919

7. LOSS BEFORE TAX

	2022 *HK$'000*	2021 *HK$'000*
Continuing operations		
Loss before tax has been arrived at after charging:		
Directors' emoluments	**3,999**	5,207
Salaries and other allowances	**41,431**	47,571
Retirement benefit scheme contributions, excluding those of directors	**1,181**	1,953
Total staff costs	**46,611**	54,731
Auditor's remuneration	**929**	1,810
Sub-contracting cost in cost of services	**273,597**	300,141
Depreciation of property, plant and equipment	**110**	18
Depreciation of right-of-use assets	**2,523**	1,996

8. DIVIDENDS

No dividends were paid, declared or proposed during the year ended 31 December 2022, nor has any dividend been proposed since the end of the reporting period (2021: Nil).

9. INCOME TAX CREDIT

	2022 *HK$'000*	2021 *HK$'000*
Continuing operations		
Current tax:		
Hong Kong	**–**	–
PRC Enterprise Income Tax	**–**	–
	–	–
Deferred tax	**36**	–
Income tax Credit	**36**	–

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for year ended 31 December 2021.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group's subsidiaries operating in the PRC are eligible for certain tax holidays and concessions and were exempted from PRC income taxes for the year.

The Company's subsidiaries that are tax residents in the PRC are subject to the PRC dividend withholding tax at 10% when and if undistributed earnings out of profits that arose on or after 1 January 2008 are declared to be paid as dividends to its immediate holding company which is a non-PRC tax resident.

10. (LOSS)/EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss)/earnings per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	2022	2021
	HK$'000	*HK$'000*
Earnings		
Loss for the year from continuing operations attributable to owners of the Company	**(1,552)**	(64,830)
Earnings for the year from discontinued operations attributable to owner of the Company	**583**	104,930
(Loss)/earnings for the purpose of basic earnings/(loss) per share from continuing and discontinued operations	**(969)**	40,100

	2022	2021
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	**1,332,000**	1,332,000

For the years ended 31 December 2022 and 2021, the computation of diluted (loss)/earnings per share from continuing and discontinued operations were the same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding during the year.

11. TRADE AND OTHER RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Trade receivables *(Note a)*	**60,017**	93,306
Less: allowance for ECL	**(3,221)**	(4,367)
	56,796	88,939
Retention receivables *(Note b)*	**9,681**	6,661
Less: allowance for ECL	**(2,346)**	(2,155)
	7,335	4,506
— Other receivables	**7,630**	8,074
Less: allowance for ECL *(Note c)*	**(169)**	(163)
	7,461	7,911
— Prepayment	**6,275**	19,559
— Sundry deposits	**1,668**	3,052
	7,943	22,611
	79,535	123,967

Notes:

(a) As at 31 December 2022, an aggregate gross amount of approximately HK$Nil (2021: HK$301,635,000) were derecognised due to disposal of subsidiaries.

(b) Retention money net of allowance for ECL in relation to completed projects of approximately HK$2,086,000 (2021: HK$1,934,000) was unbilled as at 31 December 2022. The Group has an unconditional right to the payment of the unbilled retention receivables which is expected to be billed within 12 months from the end of the reporting period.

(c) As at 31 December 2022, an aggregate gross amount of approximately HK$Nil (2021: HK$79,528,000) were derecognised due to disposal of subsidiaries.

The Group allows a credit period ranging from 0 to 90 days to its customers. The following is an aged analysis of the Group's trade receivables net of allowance for ECL presented based on certificate/invoice dates:

	2022	2021
	HK$'000	*HK$'000*
Trade receivables:		
1–30 days	**30,676**	59,138
31–60 days	**–**	20,217
61–90 days	**767**	–
91–180 days	**136**	–
Over 180 days	**25,217**	9,584
	56,796	88,939

	2022	2021
	HK$'000	*HK$'000*
Receivables in relation to billed retention money:		
1–30 days	**150**	–
31–60 days	**–**	–
61–90 days	**–**	–
91–180 days	**95**	53
Over 180 days	**5,004**	2,519
	5,249	2,572

Before accepting any new customer, the Group will assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically.

As at 31 December 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$26,119,000 (2021: HK$30,492,000) which are past due as at the reporting date. Out of the past due balances, approximately HK$25,353,000 (2021: HK$9,584,000) have been past due 90 days or more and are not considered as in default due to the long-term/on-going relationship with and good repayment record of these customers. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER PAYABLES

	2022	2021
	HK$'000	*HK$'000*
Trade payables	**63,642**	66,299
Retention payables (*Note a)*	**35,388**	36,777
Accrued subcontracting charges	**68,167**	60,590
Accrued operating expenses *(Note b)*	**999**	2,170
	168,196	165,836

Notes:

(a) In accordance with the normal practice of the industry, a certain percentage of contract sums is usually withheld by the Group as retention money for a period of one to two years after the work of subcontractors has been completed.

(b) Amounts were derecognised due to disposal of subsidiaries for the year ended 31 December 2021.

The credit period on trade payables is 0 to 30 days.

An aged analysis of the Group's trade payables based on invoice dates at the end of the reporting period is as follows:

	2022	2021
	HK$'000	*HK$'000*
Trade payables:		
1–30 days	**53,178**	57,802
31–60 days	**–**	48
61–90 days	**–**	–
Over 90 days	**10,464**	8,449
	63,642	66,299

13. GAIN ON DECONSOLIDATION OF A SUBSIDIARY

During the Relevant Period, a winding-up order was made by the High Court against Jet Speed Asia Pacific Limited ("**Jet Speed**") at the hearing of the Petition on 27 April 2022 pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the Official Receiver of Hong Kong has been appointed as the provisional liquidator of Jet Speed. As a result of the liquidation and appointment of liquidators, the Group lost control over Jet Speed and it ceased to be subsidiary of the Company with effect from 27 April 2022. A gain on deconsolidation of the subsidiary of approximately HK$10,902,000 was recognised in the consolidated profit or loss for the year ended 31 December 2022.

The analysis of assets and liabilities of Jet Speed at the date of loss of control were as follows (before intragroup elimination):

	HK$'000
Bank balances and cash	3,662
Trade and other payables	(415)
Amounts due to a shareholder	(14,149)
Amounts due to the Company	(26,220)
Net liabilities being disposed	(37,122)
Net liabilities being disposed	37,122
Amounts due to the Company	(26,220)
Gain on deconsolidation of a subsidiary	10,902

Net cashflow arising on loss of control:

	HK$'000
Bank balances and cash	(3,662)

14. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 14 December 2021, the Company has resolved that the Group shall cease the business of the financial information and technology services segment. As at 14 December 2021, the disposals of the Faye Yu Group and Tianjin Turing Group have been completed on 30 March 2021 and 28 May 2021 respectively and Growth Profit and its subsidiary Shenzhen Heshilao Intelligence Technology Company Limited* (深圳和事佬智能科技有限公司) (collectively, the "**Held for Sale Subsidiaries**") were the remaining subsidiaries of the Group belonging to the financial information and technology services segment.

As at 14 December 2021, which was the date of discontinuance of the discontinued operations of the financial information and technology service segment, the Directors were committed to a plan to sell the Held for Sale Subsidiaries, which were available for immediate sale and the sale was considered highly probable. Accordingly, the carrying amounts of the assets and liabilities of the Held for Sale Subsidiaries would be recovered principally through a sale transaction rather than through continuing use. The Held for Sale Subsidiaries were therefore reclassified as a disposal group held for sale and measured at the lower of its carrying amount and fair value less costs to sell.

However, the Group was unable to have access to the full accounting books and records and management personnel of the Held for Sale Subsidiaries. The Group was therefore unable to consolidate the financial performance and cash flows of the Held for Sale Subsidiaries from 1 January 2021 to 31 December 2021 in its consolidated financial statements for the year ended 31 December 2021. For the same reasons, the Group was unable to measure the disposal group as at 31 December 2021 at the lower of the net carrying amount of the assets and liabilities of the disposal group and its fair value less costs to sell as the carrying amounts of the assets and liabilities of the Held for Sale Subsidiaries as at 31 December 2021 could not be established.

Under the circumstances of unavailability of full accounting books and records and management personnel of the Held for Sale Subsidiaries, the Directors have determined that as the management accounts of the Held for Sale Subsidiaries for the period 1 January 2021 to 30 June 2021 and as at 30 June 2021 were previously made available to the Company for the purposes of the preparation of the unaudited interim financial report of the Company for the six months ended 30 June 2021, and in view of the fact that the Directors believed that there were minimal transactions involving the Held for Sale Subsidiaries during the intervening period from 1 July 2021 to 31 December 2021, the Held for Sale Subsidiaries shall be consolidated in the consolidated financial statements of the Group in the manner described below.

The Group has consolidated the financial performance and cash flows of the Held for Sale Subsidiaries for the period from 1 January 2021 to 30 June 2021, instead of the period from 1 January 2021 to 31 December 2021, in the consolidated financial performance and cash flows of the Group presented as results and cash flows of the Group from discontinued operations for the year ended 31 December 2021. For the same reasons as above, the Group has measured the carrying amount of the Held for Sale Subsidiaries as a disposed group held for sale in the consolidated statement of financial position as at 31 December 2021 based on the carrying amounts of the assets and liabilities of the Held for Sale Subsidiaries at 30 June 2021, instead of the carrying amounts at 31 December 2021. The Directors believe that the results and cash flows from discontinued operations of the Group for the year ended 31 December 2021 and its consolidated financial position as at 31 December 2021 would not be materially affected by the adoption of the approach described above.

On 24 March 2022, the Group entered into a sale and purchase agreement to dispose of the entire issued share capital in Growth Profit and its subsidiary at the consideration of HK$1. Completion of the Growth Profit Disposal took place on 24 March 2022.

The assets and liabilities of Held for Sale Subsidiaries, which belonged to the financial information and technology services segment, have been classified as assets and liabilities classified as held for sale and are presented separately in the consolidated statement of financial position as at 31 December 2021.

The major classes of assets and liabilities of the Held for Sale Subsidiaries classified as held for sale are as follows:

	HK$'000
Property, plant and equipment	11
Trade and other receivables	4,634
Bank balances and cash	1,393
Total assets classified as held for sale	6,038
Trade and other payables	(6,553)
Total liabilities classified as held for sale	(6,553)

Cumulative amount of approximately HK$53,000 relating to the Growth Profit Group classified as held for sale has been recognised in other comprehensive income and included in equity.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

As at 31 December 2022, the principal business activity of the Group is engaged in the provision of contracting services for alteration and addition works, maintenance, specialist works and new development in Hong Kong. The Group provides a one-stop integrated solution for both contracting and consulting services from project planning, resources allocation, subcontractor management and material procurement to monitoring and quality assurance, and to offering value-adding services such as providing advice on designs to the Group's customers.

CHANGE OF COMPANY NAME

On 28 December 2021, the Company has announced its intention to change its English name from "Steering Holdings Limited" to "FDB Holdings Limited" and its dual foreign name in Chinese from "旭通控股有限公司" to "豐展控股有限公司" (the "**Proposed Change of Company Name**"). On 25 January 2022, the Company has passed a Special Resolution approving the Proposed Change of Company Name subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands having been obtained. The Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 28 January 2022, and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 21 March 2022. The stock short names of the Company for trading in the Shares on the Stock Exchange has been changed from "STEERING HLDGS" to "FDB HOLDINGS" in English and from "旭通控股" to "豐展控股" in Chinese with effect from 9:00 a.m. on 12 April 2022. The Directors are of the view that the Proposed Change of Name will symbolize a new era of the Group alongside with the change in control of the Company in April 2021. For details, please refer to the announcements of the Company dated 28 December 2021, 25 January 2022 and 1 April 2022.

BUSINESS REVIEW AND OUTLOOK

During the Year, the Group continued to develop contracting services in Hong Kong.

With the outbreak of the coronavirus pandemic (the "**COVID-19**") in Hong Kong which have led to the implementation of travel restrictions and social distancing measures, coupled with the effect of China-US trade dispute, the cash crunch of Chinese real estate developers as the economic downturn, the business operation of the Group has been severely affected.

Despite the effect of the COVID-19 and the economic downturn, the Group was able to maintain a stable revenue as compared with the year ended 31 December 2021. With the implementation of costs control measures, the Group has reduced its administrative costs and has significantly improved the gross profit margin for the Year.

With the uplifting of the travel restrictions and social distancing requirements, it is expected that the Group will be able to gradually resume its operation. It is also expected that the material costs and transportation costs in the construction industry will also start to reduce due to the opening up of China. The Group therefore expects that it will be able to improve its financial performance as well as financial positions in the years ahead.

Looking forward, the Group will conduct a detailed review of the existing principal business operations and financial position of the Group for the purpose of formulating a sustainable business plan or strategy for the Group's future development. In particular, the Group will look into business and investment opportunities in different business areas and geographical locations and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, and/or restructuring of the business will be appropriate in order to enhance the long-term growth potential of the Group. The Group also intends to leverage upon the expertise and business opportunities that Mr. Ng may have in his sectors of real estate development, property project management and financial services and expand the income stream of the Group. Further announcement(s) in this regard will be made as and when appropriate.

FINANCIAL REVIEW

During the Year, due to the slow down of the economy in Hong Kong and the outbreak of COVID-19, the revenue of the Group decreased by approximately HK$25.1 million or 6.6% to approximately HK$357.2 million (2021: HK$382.3 million). The Group recorded a gross profit of approximately HK$7.3 million (2021: gross loss HK$29.9 million). During the Year, the Group recognised impairment losses under ECL model, net of reversal of approximately HK$6.3 million (2021: HK$2.9 million). As a result, the Group recorded a net loss for the Year of approximately HK$1.6 million (2021: net loss of HK$64.8 million) attributable to owners of the Company from continuing operations.

Other income

Other income amounted to approximately HK$8.0 million for the Year (2021: HK$0.7 million), representing an increase of approximately 1,042.9%, which due to the one-off income that only included for the Year comprising approximately HK$2.3 million of government grant and the Group has released approximately HK$4.8 million of accruals balances that has past due over 6 years but no invoices received after contact.

Impairment losses, net of reversal

During the Year, the impairment losses, net of reversal increased by approximately HK$3.4 million or 117.2% to approximately HK$6.3 million (2021: HK$2.9 million) which is in relation to construction segment services.

Details of impairment losses, net of reversal for the Year:

Impairment losses recognised on:	**Non credit-impaired** *HK$ million*
Trade and retention receivables	(1.0)
Other receivables and deposits	1.5
Contract assets	5.8
Total	6.3

The Group has applied the simplified approach in HKFRS to measure the loss allowance at lifetime ECL by using a provision matrix on a portfolio basis with reference to the Company's historical and the counterparties' industry default data, among others, historical aging schedules, settlement and default records, industry credit data and default records, and forward-looking information. The core inputs of the assessment models are consistent with last year. The Group has applied the general approach in HKFRS 9 to measure the 12-month or lifetime ECL with reference to the Company's historical and the counterparties' industry default data, among others, historical aging schedules, settlement and default records, industry credit data and default records, and forward-looking information. The Group has engaged an independent valuer to perform impairment assessment. The core inputs of the assessment models are consistent with last year.

Trade and retention receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount trade debt at the end of the reporting period to ensure that adequate impairment loss is recognised for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group is exposed to concentration of credit risk as at 31 December 2022 on the trade and retention receivables from the Group's five major customers amounting to approximately HK$51,062,000 (2021: HK$72,179,000) and accounted for 80% (2021: 75%) of the Group's total trade and retention receivables. In the opinion of the directors of the Company, the major customers of the Group are reputable organisation in the market. The directors of the Company consider that the credit risk is limited in this regard. In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. Credit-impaired debtors are assessed for impairment individually, the remaining trade and retention receivables and contract assets are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. During the Year, net reversal of impairment losses of approximately HK$955,000 and net impairment losses of approximately HK$5,763,000 (2021: HK$1,511,000 and HK$1,569,000) are recognised for trade and retention receivables and contract assets, respectively.

Administrative expenses

Administrative expenses of the Group decreased by approximately HK$10.6 million or 33.1% from approximately HK$32.0 million for the year ended 31 December 2021 to approximately HK$21.4 million for the Year. Such decrease was primarily due to our cost control measure implementation during the Year.

Finance costs

Finance costs of the Group decreased by 66.6% from approximately HK$0.3 million for the year ended 31 December 2021 to approximately HK$0.1 million for the Year, as the interest on lease liabilities declined for the Year.

Income tax expense

The Group had no income tax expenses for the Year, as there is no assessable profit recorded. For the year ended 31 December 2022, the Group recorded income tax credit of approximately HK$36,000.

Gain on deconsolidation of a subsidiary

During the Year, a winding-up order was made by the High Court against Jet Speed Asia Pacific Limited ("**Jet Speed**") at the hearing of the Petition on 27 April 2022 pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and liquidators have been appointed for Jet Speed. As a result of the liquidation and appointment of liquidators, the Group lost control over Jet Speed and it ceased to be subsidiary of the Company with effect from 27 April 2022. A gain on deconsolidation of the subsidiary of approximately HK$10,902,000 was recognised in the consolidated profit or loss for the Year.

Discontinued operations

Profit for the year from discontinued operations was approximately HK$0.6 million for the Year (2021: approximately HK$106.3 million). It was primarily attributable to gain on disposal of Growth Profit during the year 2022.

Profit/loss and total comprehensive income/loss for the Year attributable to the owners of the Company

Loss for the year attributable to the owners of the Company was approximately HK$1.0 million for the Year (2021: profit for the year attributable to the owners of the Company of HK$40.1 million). It was primarily attributable to the net effect of (i) the decrease in revenue of construction segment services; (ii) the increase in impairment losses recorded for the year ended 31 December 2022; and (iii) gain on deconsolidation of a subsidiary.

Total comprehensive loss for the year attributable to the owners of the Company was approximately HK$0.9 million (2021: total comprehensive income for the year attributable to the owners of the Company of HK$22.4 million).

LIQUIDITY AND FINANCIAL RESOURCES

Net cash position

The amounts due to a shareholder decreased by approximately HK$6.1 million to approximately HK$8.0 million as at 31 December 2022 (31 December 2021: HK$14.1 million). Bank balances and cash and pledged deposits as at 31 December 2022 increased by approximately HK$33.1 million to approximately HK$52.5 million (31 December 2021: HK$19.4 million). Therefore, the net cash position of the Group increase to approximately HK$44.5 million (31 December 2021: HK$5.3 million).

Structure of bank overdrafts and bank borrowings and amounts due to a shareholder

As at 31 December 2022, the Group had amounts due to a shareholder amounted to approximately HK$8.0 million (31 December 2021: HK$14.1 million), and the Group had no bank overdraft or bank borrowing in both years.

Liquidity ratios and gearing ratios

The current ratio of the Group as at 31 December 2022 was 1.27 times (31 December 2021: 1.25 times).

The gearing ratio, calculated based on the total borrowings including bank borrowings and amounts due to a shareholder divided by total equity at the end of the Relevant Period and multiplied by 100%, decreased to approximately 16.4% as at 31 December 2022 from approximately 28.4% as at 31 December 2021. The gearing ratio decreased as the total borrowings decreased during the Year.

CAPITAL STRUCTURE

Funding policy and treasury policy

The Group maintains a prudent funding and treasury policy of its overall business operations to minimise financial risks. Surplus funds are generally placed in short term deposits denominated primarily in Hong Kong Dollars. All future projects will be financed by cash flows from operations, banking facilities, or any forms of financing available in Hong Kong.

The Group regularly monitors its liquidity requirements and its relationship with bankers to ensure that it maintains sufficient reserves of cash and an adequate committed line of funding from major financial institutions to meet its liquidity requirements in the short and long term.

As at 31 December 2022, the Company's issued share capital was approximately HK$13,320,000 (31 December 2021: HK$13,320,000) and the number of issued ordinary shares was 1,332,000,000 (31 December 2021: 1,332,000,000) of HK$0.01 each.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Most of the transactions of the Group are denominated in Hong Kong dollars and the Group is not exposed to any significant foreign exchange exposure.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Whilst the Group will continue to solidify its business and clientele in the construction industry, the Group will look into business and investment opportunities for business expansion and capital injection in order to enhance the long-term growth potential of the Group, as at 31 December 2022, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in the section headed "Additional Information Regarding the Qualified of Opinion", there was no significant event that took place during the Year, subsequent to 31 December 2022 and up to the date of this announcement.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2022, the Group has pledged its bank deposit of approximately HK$20.9 million (31 December 2021: HK$9.9 million) to secure the guaranteed credit facilities for issuing surety bonds and general banking facilities amounting to approximately HK$41.7 million (31 December 2021: HK$30.7 million).

SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entities to issue guarantees for performance of contract works in the form of surety bonds secured by pledged deposits. In addition, the Group provided a counter-indemnity to the financial institutions which have issued such surety bonds.

As at 31 December 2022, the outstanding amount of surety bonds of the Group was approximately HK$41.7 million (2021: HK$30.7 million).

Save as disclosed above, as at 31 December 2022, the Group did not have any other material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group employed a total of 88 employees (2021: 114 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$46.6 million for the Year (2021: HK$54.7 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to staff with outstanding performance to attract and retain eligible employees to contribute to the Group. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

LITIGATION

Reference is made to the 2021 Annual Results Announcement of the Company dated 31 March 2022 (the "**2021 Annual Results Announcement**") under the section headed "Litigation". Unless otherwise stated, capitalised terms shall have the same meaning as defined in the 2021 Annual Results Announcement.

1. Board Composition Case and Disposal of FVTOCI Case

As disclosed in the 2021 Annual Results Announcement, the Company has not taken any steps and maintained a neutral stance to the Board Composition Case and the Disposal of FVTOCI Case, which are still ongoing. During the period under review, there is no material development in the Board Composition Case and the Disposal of FVTOCI Case.

2. Withholding of Record Case

On 1 June 2022, the High Court as ordered that the Withholding of Records Case be wholly discontinued.

3. Jet Speed Winding-up Case

Reference is made to the announcement of the Company dated 27 April 2022, in relation to, among other things, the winding up of Jet Speed. On 27 April 2022, a winding-up order was made by the High Court against Jet Speed and the Official Receiver has been appointed as provisional liquidator of Jet Speed. As a result of which, the Group lost control over Jet Speed and it ceased to be a subsidiary of the Company.

On 21 September 2022, the High Court has appointed Ms. Chi Lai Man Jocelyn and Ms. Li Chung Ngai (also known as Anson Li), both of Kroll (HK) Limited, as the joint and several liquidators of Jet Speed.

The Company has submitted its proof of debt and it is expected that the Company would be entitled to the distribution of the assets of Jet Speed in due course. Further announcements will be made by the Company if and when appropriate.

Save as aforesaid, during the Year, the Group was not involved in any litigation or arbitration of material importance.

ADDITIONAL INFORMATION REGARDING THE QUALIFIED OF OPINION

As stated in the section headed "Basis for Qualified Opinion" in the draft extract of the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2022 (the "**Independent Auditor's Report**"), the auditor of the Company (the "**Auditor**"). Express an opinion except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance (the "**2022 Qualified Opinion**"). The basis for the Qualified opinion is more particularly set out in the Independent Auditor's Report and is essentially relating to Growth Profit International Limited together with its subsidiaries (the "**Growth Profit Group**" or the "**Held for Sale Subsidiaries**") (as to the basis regarding "**disposal of the assets classified as held for sale and liabilities, results and cash flows of disposal group classified as held for sale**") (the "**Growth Profit Disposal**"). In view of the 2022 Qualified Opinion, the Board would like to provide the following additional information:-

As at 31 December 2021, the Group has yet to dispose the Growth Profit Group, which represented a disposal group classified as held for sale as at 31 December 2021 and were disposed on 24 March 2022. The assets and liabilities of the Held for Sale Subsidiaries were presented in the consolidated statement of financial position of the Group as at 31 December 2021 as assets and liabilities of disposal group classified as held for sale in current assets and current liabilities respectively. The abovementioned transaction have been presented as profit or loss from discontinued operation in the Group's consolidated statement of profit or loss for the year ended 31 December 2022.

For balance as at 31 December 2021, the Group has consolidated the financial performance and cashflows of the Held for Sale Subsidiaries for the period from 1 January 2021 to 30 June 2021, instead of the period from 1 January 2021 to 31 December 2021, in the consolidated financial performance and cash flows of the Group from its discontinued operations for the year ended 31 December 2021. For the same reasons above, the Group has measured the assets and liabilities of the Held for Sale Subsidiaries classified as assets and liabilities of disposal group held for sale in the consolidated statement of financial position as at 31 December 2021 based on their carrying amounts of the assets and liabilities of the Held for Sale Subsidiaries at 30 June 2021, instead of their carrying amounts as at 31 December 2021. The directors of the Company believe that the results and cash flows from discontinued operations of the Group for the year ended 31 December 2022 and the financial position of the Group as at 31 December 2021 and 31 December 2022 presented in the consolidated financial statements would not be materially affected.

Due to the lack of access to the relevant management personnel and accounting books and records of the Held for Sale Subsidiaries, the auditor were unable to obtain sufficient appropriate audit evidence to satisfy themselves as to whether the carrying amounts of the assets and liabilities of the Held for Sale Subsidiaries as at 31 December 2021 that should be the carrying amounts of the assets of disposal group classified as held for sale and liabilities associated with disposal group classified as held for sale in the consolidated statements of financial position of the Group as at 31 December 2021 were materially different from those as at 30 June 2021 disclosed in the consolidated financial statements, which were used by the Group as the measurement basis for the carrying amounts of the assets and liabilities of the disposal group classified as held for sale in the consolidated statement of financial position of the Group as at 31 December 2021 and the profit or loss from discontinued operation in the Group's consolidated statement of profit or loss for the year ended 31 December 2022. Any adjustments that might have been found to be necessary might have consequential significant effects on the Group's financial performance and cash flows from its discontinued operations for the year ended 31 December 2022 and the elements making up and related disclosures in the consolidated financial statements.

On 24 March 2022, the Group has completed the disposal of the Growth Profit Group.

Based on the information available to the Company, the Directors are of the view that:

(1) there are minimal transactions of the Growth Profit Group occurred since 1 July 2021 and the financial position of the Group as at 31 December 2021 would not be materially affected;

(2) as the Group has discontinued the operations of its financial information and technology segment in the year ended 31 December 2021, there will be no material financial effect after the disposal of Growth Profit Group relating to such segment for the year going forward;

(3) save that there will be audit qualifications on the gain or loss on disposal of the assets classified as held for sale, such other audit modifications would not be required for the year going forward.

The Company's views on the 2022 Qualified Opinion

Based on the foregoing, the Directors are of the view that: (i) the Growth Profit Qualification has been addressed; (ii) any modified opinion in the forthcoming year in respect of the Growth Profit Qualification should only relate to (a) the carrying amounts of the assets and liabilities of the Growth Profit Group as at 31 December 2021 and date of disposal included in assets classified as held for sale and liabilities associated with assets classified as held for sale at the date of disposal and hence the amount of the gain (or loss) on disposal of the Growth Profit Group and the result and cash flows of the Growth Profit Group from 1 January 2022 to date of disposal; and (b) the comparability of the 2021/2022 figures and the 2022/2023 figures to be presented in the consolidated financial statements for the years ended/ending 31 December 2022 and 31 December 2023 respectively; and (iii) accordingly, the Growth Profit Qualification should not have any continuing effect on the Group's consolidated financial statements after the financial year ending 31 December 2023.

To conclude, the Directors are of the view (to which the Audit Committee has concurred) that the Company has satisfactorily addressed to all issues giving rise to the 2022 Qualified Opinion.

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

The Board recognises that transparency and accountability are important to a listed company. Therefore, the Company is committed to establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return to the benefits of the Company's stakeholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Company.

Under the code provision A.2.1 of the CG Code, the role 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 chief executive should be clearly established.

As at 31 December 2022, Mr. Ng assumed the roles of both chairman of the Board and chief executive of the Company. The Board considered that this structure could enhance efficiency in formulation and implementation of the Company's strategies.

Save as disclosed above, the Board is pleased to report compliance with all applicable code provisions of the CG Code during the year ended 31 December 2022.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Appendix 10 to the Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the year ended 31 December 2022.

Purchase, Sale or Redemption of Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company during the year ended 31 December 2022.

Dividend

The Board does not recommend any payment of final dividend for the year ended 31 December 2022 (2021: Nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting is scheduled for Wednesday, 31 May 2023. In order to determine entitlements to attend and vote at the annual general meeting, the register of members of the Company will be closed from Friday, 26 May 2023 to Wednesday, 31 May 2023, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 25 May 2023.

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules, in accordance with provisions set out in the CG Code, which are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently consists of four independent non-executive Directors, namely Mr. Chan Yuk Sang, Mr. Wan Chi Wai Anthony, Mr. Lau Kwok Fai Patrick and Mr. Wong Chun Wah Kelvin. The chairman of the Audit Committee is Mr. Lau Kwok Fai Patrick, who has appropriate professional qualifications and experience in accounting matters.

The Group's audited annual results in respect of the year ended 31 December 2022 have been reviewed by existing members of the Audit Committee.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors during the year ended 31 December 2022.

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2022 and up to date of this annual result announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual consolidated results announcement is published on the Company's website at www.fdbhk.com and the Stock Exchange's website at www.hkexnews.hk. The 2022 Annual Report of the Company will be despatched to the shareholders of the Company and made available on the above websites.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The following is the extract of the draft independent auditor's report on the Company's consolidated financial statements for the year ended 31 December 2022.

OPINION

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OF OPINION

As at 31 December 2021, the Group was yet to dispose Growth Profit International Limited and its subsidiary Shenzhen Heshilao Intelligence (collectively, the "**Held for Sale Subsidiaries**"), which as described in Note 35 to the consolidated financial statements represented a disposal group classified as held for sale as at 31 December 2021 and were disposed on 24 March 2022. The assets and liabilities of the Held for Sale Subsidiaries were presented in the consolidated statement of financial position of the Group as at 31 December 2021 as assets and liabilities of disposal group classified as held for sale in current assets and current liabilities respectively. The abovementioned transaction have been presented as profit or loss from discontinued operation in the Group's consolidated statement of profit or loss for the year ended 31 December 2022.

For balance as at 31 December 2021, the Group has consolidated the financial performance and cashflows of the Held for Sale Subsidiaries for the period from 1 January 2021 to 30 June 2021, instead of the period from 1 January 2021 to 31 December 2021, in the consolidated financial performance and cash flows of the Group from its discontinued operations for the year ended 31 December 2021. For the same reasons above, the Group has measured the assets and liabilities of the Held for Sale Subsidiaries classified as assets and liabilities of disposal group held for sale in the consolidated statement of financial position as at 31 December 2021 based on their carrying amounts of the assets and liabilities of the Held for Sale Subsidiaries at 30 June 2021, instead of their carrying amounts as at 31 December 2021. The directors of the Company believe that the results and cash flows from discontinued operations of the Group for the year ended 31 December 2022 and the financial position of the Group as at 31 December 2021 and 31 December 2022 presented in the consolidated financial statements would not be materially affected.

Due to the lack of access to the relevant management personnel and accounting books and records of the Held for Sale Subsidiaries, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the carrying amounts of the assets and liabilities of the Held for Sale Subsidiaries as at 31 December 2021 that should be the carrying amounts of the assets of disposal group classified as held for sale and liabilities associated with disposal group classified as held for sale in the consolidated statements of financial position of the Group as at 31 December 2021 were materially different from those as at 30 June 2021 disclosed in Note 35 to the consolidated financial statements, which were used by the Group as the measurement basis for the carrying amounts of the assets and liabilities of the disposal group classified as held for sale in the consolidated statement of financial position of the Group as at 31 December 2021 and the profit or loss from discontinued operation in the Group's condensed consolidated statement of profit or loss for the year ended 31 December 2022. Any adjustments that might have been found to be necessary might have consequential significant effects on the Group's financial performance and cash flows from its discontinued operations for the year ended 31 December 2022 and the elements making up and related disclosures in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") 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**"), and we have 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 qualified opinion.

SCOPE OF WORK OF CWK CPA LIMITED

The figures in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 of the Group as set out in the announcement have been agreed by the Company's auditor, CWK CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CWK CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by CWK CPA Limited on the announcement.

By order of the Board
FDB Holdings Limited
Ng Kin Siu
Chairman of the Board and executive Director

Hong Kong, 27 March 2023

As at the date of this announcement, the executive Directors is Mr. Ng Kin Siu (Chairman and chief executive officer); and the independent non-executive Directors are Mr. Chan Yuk Sang, Mr. Wan Chi Wai Anthony, Mr. Lau Kwok Fai Patrick and Mr. Wong Chun Wah Kelvin.

* *The English translation of the Chinese name(s) in this announcement, where indicated with "*", is/are included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*