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FUTURE DATA

FUTURE DATA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8229)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE POTENTIAL TRANSACTION**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 28 April 2023 (after trading hours of the Stock Exchange), the Parties entered into the non-legally binding MOU, pursuant to which the Company intends to carry out the Potential Transaction.

The Potential Transaction may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the Shares. If the Potential Transaction materialise, it may constitute a notifiable transaction on the part of the Company pursuant to the GEM Listing Rules. Should the Company enter into the Transaction Documents or decide to terminate the MOU or there be any material development on the Potential Transaction, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the GEM Listing Rules as and when appropriate.

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

THE MOU

The Board is pleased to announce that on 28 April 2023 (after trading hours of the Stock Exchange), the Parties entered into the non-legally binding MOU, pursuant to which the Company intends to carry out the Potential Transaction.

Principal terms of the MOU are set out below.

Date: 28 April 2023

Parties: (i) the Company; and
(ii) the Potential Investee Company

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, both the Potential Investee Company and its ultimate beneficial owner are Independent Third Parties.

Potential Transaction

Pursuant to the MOU, the Company intends to (i) subscribe for and the Potential Investee Company intends allot and issue the Subscription Shares at the Subscription Price, representing approximately 51% of the total issued shares of the Potential Investee Company on an enlarged basis; and (ii) advance the Loan to the Potential Investee Company.

Exclusivity Period

The Company will be offered an exclusivity period for a term of 60 days from the date of the MOU (or such later date to be agreed by the Parties) (the "**Exclusivity Period**"). Within the Exclusivity Period, (i) the Potential Investee Company, its director and shareholder shall not enter into any discussions with any entity or person in respect of the subscription of new shares of the Potential Investee Company (ii) the Company shall conduct a due diligence review on the Potential Investee Group; and (iii) the Parties shall use their best endeavours to agree the terms and conditions of and enter into the Transaction Documents in connection with the Potential Transaction.

Transaction Documents

The Parties shall negotiate in good faith with each other in ensuring that the Transaction Documents be entered into as soon as possible and in any event within the Exclusivity Period.

Non-legally Binding Effect

Save for the provisions relating to exclusivity, binding provision and governing law contained in the MOU, which are legally binding, the MOU shall not have any legally binding effect. The Potential Transaction are subject to further negotiations between the Parties and the execution of Transaction Documents.

Termination of the MOU

The MOU shall expire on: (i) the expiry of the Exclusivity Period, (ii) the date on which the Transaction Documents are executed, or (iii) the Company gives written notice to the Potential Investee Company of its intention to abandon further negotiations, whichever date is earlier, or such other later date as the Parties may agree in writing. The MOU shall be of no force and effect after its expiration. Upon expiry of the MOU, the Parties shall have no further rights and/or obligations hereunder, except with respect to any antecedent breaches of the binding provisions.

INFORMATION OF THE POTENTIAL INVESTEE GROUP

The Potential Investee Company is a company incorporated in Hong Kong with limited liability. As at the date hereof, the Potential Investee Company has an issued share capital of HK\$2,000,000 consisting of 2,000,000 fully paid-up shares. The Potential Investee Company has a wholly owned subsidiary, namely 中福數融(廣州)技術有限公司 (transliterated as Zhongfushurong GZ), a wholly owned foreign enterprise established in the PRC.

The Potential Investee Group is principally engaging in development of technology in relation to non-fungible token (“**Digital Assets**”) and the distribution of Digital Assets.

Strategic Agreement

The Potential Investee Company has through Zhongfushurong GZ entered into a strategic co-operation agreement dated 2 March 2023 with (the “**Strategic Agreement**”) with a third party (the “**Strategic Partner**”) who is a legally authorised operator to run lottery centers and sell lottery tickets in the Fujian Province, PRC through concurrent sales convenient stores. The Strategic Partner has launched the “Convenience Store + Lottery” service and has test promoted in Fuzhou City of the Fujian Province of more than 4,000 concurrent sales convenient stores (“**4000+ Stores**”). According to the Strategic Agreement, the Strategic Partner has designated Zhongfushurong GZ as its exclusive Digital Assets partner in cooperating to formulate products, operations and sales plans that combine Digital Assets and lottery supply chain. The Strategic Partner will launch Digital Assets terminals of Zhongfushurong GZ in its 4000+ Stores in Fuzhou City in phases within 18 to 24 months after the Strategic Partner and Zhongfushurong GZ have signed a specific contract relating thereto to share the proceeds of the Digital Assets terminals on the ratio to be agreed upon. The Strategic Agreement is valid for five years and will be renewed annually automatically.

REASONS FOR AND BENEFITS OF THE POTENTIAL TRANSACTION

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

Leveraging with the Group's existing technological background, the Group intends to widen its business scope to the latest trend of technologies, like blockchain and metaverse as part of its business plan to enhance its revenue stream and profit structure. China is promoting digital assets to combine social and cultural factors for new business model and further growth of the digital economy. The Potential Transaction will enable the Group to tap into new business of Digital Assets and equip with such technologies in development and distribution of Digital Assets through the Strategic Agreement. Further, the Group may also explore further collaborative opportunities through the Potential Investee Group after completion of the Potential Transaction. As such, the Directors are of the view that the terms of the MOU are fair and reasonable and the Potential Transaction is in the interests of the Company and the Shareholders as a whole.

The Potential Transaction may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the Shares. If the Potential Transaction materialise, it may constitute a notifiable transaction on the part of the Company pursuant to the GEM Listing Rules. Should the Company enter into the Transaction Documents or decide to terminate the MOU or there be any material development on the Potential Transaction, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the GEM Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Future Data Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8229)
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	a period of 60 days from the date of the MOU (or such later date as the Parties may agree in writing)
“GEM”	the GEM operated by the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Loan”	a shareholder’s loan of HK\$4,000,000
“MOU”	the non-legally binding memorandum of understanding dated 28 April 2023 entered into between the Parties
“Parties”	the Company and the Potential Investee Company
“Potential Investee Company”	Hunter Digital Limited (中福數融技術有限公司), a company incorporated in Hong Kong with limited liability
“Potential Investee Group”	the Potential Investee Company and its subsidiary
“Potential Transaction”	the potential subscription of Subscription Shares and the advancement of the Loan by the Company as contemplated under the MOU
“PRC”	People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the capital of the Company
“Shareholders”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price payable for the Subscription Shares by the Company, being HK\$1 per new share of the Potential Investee Company
“Subscription Shares”	2,081,633 new shares of the Potential Investee Company

“Transaction Documents”	the formal binding transaction documentation for the subscription of the Subscription Shares and the advancement of the Loan, to be entered among the Parties within the Exclusivity Period as contemplated under the MOU
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Future Data Group Limited
Tao Hongxia
Chairlady and Executive Director

Hong Kong, 28 April 2023

As at the date of this announcement, the executive Directors are Ms. Tao Hongxia, Mr. Lee Seung Han and Mr. Tao Guolin; and the independent non-executive Directors are Mr. Chan Kin Ming, Mr. Lam Chi Cheung Albert and Mr. Yu Wing Chung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at www.futuredatagroup.com.