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## **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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**



#### **THE PLACING**

The Board is pleased to announce that on 6 July 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to an aggregate of 96,000,000 Placing Shares, to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties at a price of HK\$0.53 per Placing Share.

The Placing Price of HK\$0.53 per Placing Share represents (i) a discount of approximately 15.87% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on 6 July 2023, being the date of the Placing Agreement; and (ii) a discount of approximately 18.46% to the average closing price per Share of HK\$0.65 as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of the Placing Shares of an aggregate of 96,000,000 Shares under the Placing represents (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The Placing Shares will be allotted and issued under the General Mandate. The allotment and issue of the Placing Shares is not subject to further approval of the Shareholders.

Assuming that all of the Placing Shares are successfully placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$50.88 million and the net proceeds from the Placing will be approximately HK\$50.5 million (after deduction of commission and other expenses of the Placing). The Directors intend to use the net proceeds for (i) repayment of indebtedness, and (ii) exploring business opportunities and/or investment in business(es) or the latest technologies should suitable opportunities arise.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING

The Board is pleased to announce that on 6 July 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement in relation to the Placing.

### The Placing Agreement

Date: 6 July 2023

Parties: Issuer: The Company

Placing Agent: Business Securities Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Placing Agent is not interested in any Shares.

The Placing Agent will charge the Company a placing commission of 0.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares successfully subscribed for by the Placees under the Placing. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to the prevailing market rates. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the placing is in the interests of the Company and the Shareholders as a whole.

### Placees

The Placing Shares are expected to be placed to not less than six Placees, which are professional, institutional and/or other investors, who and whose ultimate beneficial owners, shall be Independent Third Parties, and it is expected that none of the Placees would, immediately upon completion of the Placing, become a Substantial Shareholder of the Company.

## **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of the Placing Shares of an aggregate of 96,000,000 Shares under the Placing represents (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum of 96,000,000 Placing Shares under the Placing will be HK\$960,000.

## **Placing Price**

The Placing Price of HK\$0.53 per Placing Share represents:

- (i) a discount of approximately 15.87% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on 6 July 2023, being the date of the Placing Agreement; and
- (ii) a discount of approximately 18.46% to the average of the closing prices per Share of HK\$0.65 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the satisfaction of the following conditions at or prior to 5:00 p.m. (Hong Kong time) on 27 July 2023 (or such other date as the Company and the Placing Agent may agree in writing):

- (i) the passing by the Board of resolution(s) to approve the Placing Agreement and the transactions contemplated hereunder;
- (ii) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such listing approval not subsequently being revoked prior to the completion of the Placing); and

(iii) the Placing Agreement not having been terminated in accordance with the terms of the Placing Agreement.

If the Conditions are not fulfilled at or prior to 5:00 p.m. (Hong Kong time) on 27 July 2023 (or such other date as the Company and the Placing Agent may agree in writing), either the Company or the Placing Agent may, at any time thereafter, terminate the Placing Agreement by notice in writing to the other party, whereupon the obligations under the Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against the other save for any antecedent breach of any obligation under the Placing Agreement, liabilities pursuant to the Placing Agreement for certain costs, charges and expenses already properly incurred and any rights which may have accrued under the Placing Agreement prior to such termination.

### **Completion of the Placing**

Completion of the Placing shall take place within five (5) Business Days after the day on which the conditions as set out in the paragraph headed “Conditions of the Placing” above are fulfilled, or such other date the Company and the Placing Agent may agree in writing).

### **Application for listing**

The Company will make an application to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

### **General Mandate**

No further Shareholders’ approval is required for the Placing and the Placing Shares will be allotted and issued by the Company pursuant to the General Mandate. At the AGM, the Shareholders have granted to the Directors, among other things, the General Mandate to issue up to 96,000,000 Shares, representing 20% of the issued share capital of the Company as at the date of the passing of the resolution of 480,000,000 Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate. The General Mandate will be utilised as to 100% upon the allotment and issue of all of the Placing Shares.

### **Termination of the Placing Agreement**

Under the Placing Agreement, if the Conditions are not fulfilled at or prior to 5:00 p.m. (Hong Kong time) on 27 July 2023 (or such other date as the Company and the Placing Agent may agree in writing), either the Company or the Placing Agent may, at any time thereafter, terminate the Placing Agreement by notice in writing to the other party, whereupon the obligations under the Placing shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against the other save for any antecedent breach of any obligation under the Placing Agreement, liabilities for the payment of costs, charges and expenses already properly incurred and any rights which may have accrued under the Placing Agreement prior to such termination.

Furthermore, the Placing Agent shall have the right exercisable by notice in writing to the Company to terminate the Placing Agreement at any time between the date of the Placing Agreement and prior to 8:00 a.m. (Hong Kong time) on the Completion Date:

- (i) if there occurs:
  - a. any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any material failure to perform any of the Company's undertakings in the Placing Agreement;
  - b. any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
  - c. any change, or development (regardless of whether permanent or not) involving a prospective change, in or affecting, the business, management, general affairs, assets and/or liabilities, prospects, shareholders' equity, results of operations or position, financial or otherwise, of the Company or the Group as a whole to a material extent, regardless of whether or not arising in the ordinary course of business; or
  - d. any suspension of dealings in the Shares for any period of five (5) consecutive trading days or more except for suspension relating to any transaction under the Placing Agreement; or
- (ii) in the reasonable opinion of the Placing Agent, the success of the Placing may be, would be or might be adversely affected by any of the following force majeure events:
  - a. any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any of its subsidiaries carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;

- b. any event, or series of events beyond the reasonable control of the Placing Agent, including but not limited to acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, storm, tempest, typhoon, accident, civil commotion, economic sanctions, epidemic, outbreak of infectious disease, pandemic, outbreak or escalation of hostilities (local, national, international or otherwise), acts of war, terrorism, and acts of God making it inexpedient or inadvisable to proceed with the Placing; or
- c. any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange.

The Placing Agent shall also have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the terms of the Placing Agreement.

In the event that the Placing Agent terminate the Placing Agreement in accordance with the above provisions, all obligations of each of the Company and the Placing Agent under the Placing Agreement shall cease and determine (but any termination of the Placing Agreement shall not prejudice the rights of the Company and the Placing Agent which accrued before the date of termination), and no party to the Placing Agreement shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for (a) any antecedent breach of any obligation under the Placing Agreement; (b) liabilities pursuant to the Placing Agreement for certain costs, charges and expenses already properly incurred; and (c) any rights of the other party to the Placing Agreement which accrued before the date of termination.

**Completion of the Placing is subject to the satisfaction of the Conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally 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.

As disclosed in the Company's annual report for the year ended 31 December 2022 and the first quarterly report for the three months ended 31 March 2023: (i) the Group has cash and bank balances of approximately HK\$122.5 million and HK\$78.7 million respectively; (ii) as at 31 December 2022, the Group had bank borrowings of approximately HK\$41.8 million which is repayable within one year; (iii) during the fiscal year of 2022, the Group recorded net loss of approximately HK\$4.0 million with revenue and gross profit decline mainly due to adverse business and economic conditions. Meanwhile the management intends to widen the Group's business scope to the latest trend of technologies, like blockchain and metaverse as part of its business plan to enhance its revenue stream and build up synergies with the Group's

existing businesses, the Group has been exploring business opportunities to tap into business of these latest trend of technologies. The Directors are of the view that despite the existing cash resources held by the Group, it would be desirable for the Group to raise additional fund to satisfy the cash flows needs of the Group with view to strengthening the financial position of the Group and capture the suitable investments where opportunities arise.

Assuming that all of the Placing Shares are successfully placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$50.88 million and the net proceeds from the Placing will be approximately HK\$50.5 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.526 per Placing Share.

The maximum net proceeds from the Placing are intended to be used as to (i) approximately HK\$15 million for the repayment of the Group's indebtedness; and (ii) approximately HK\$35.5 million for the exploring business opportunities and/or investment in business(es) or the latest technologies should suitable opportunities arise.

While the Directors have considered other alternative fund-raising methods such as debt financing or open offer, the Directors consider that the Placing represents an opportunity to strengthen the Group's financial position and raise additional funding for the business operations and expansion of the business scope of the Group as explained above without any interest burden, at lower costs and in a relatively expeditious manner when compared with other means of fund-raising, as well as to enlarge the capital and shareholder base of the Company which may in turn enhance the liquidity of the Shares.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## FUND-RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

Save and except for the equity fund-raising activity set out below, the Company had not conducted any other equity fund-raising activities in the past 12 months immediately preceding the date of this announcement:

Date of initial announcement	Equity fund-raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
26 January 2023	Placing of 80,000,000 Shares at HK\$0.22 per Shares pursuant to the placing agreement entered into between the Company and the Placing Agent on 26 January 2023	HK\$17.2 million	(i) approximately HK\$10 million for repayment of the Group's indebtedness, and  (ii) approximately HK\$7.2 million for replenishing the working capital of the Group to support its business operations, such as for funding the performance guarantee required by the Group's customers.	(i) Fully repayment of the Shareholders' loan at HK\$10 million  (ii) HK\$4.3 million utilized for the working capital of the Group to support its business operation



## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming that all of the 96,000,000 Placing Shares will be placed in full and there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing) are set out below:

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approx. % (Note 1)</i>	<i>Number of Shares</i>	<i>Approx. % (Note 1)</i>
Gorgeous Real Investment Holding Limited (Notes 2, 4)	142,411,750	29.67	142,411,750	24.72
Variant Wealth Investment Development Limited (Notes 3, 4)	100,000,000	20.83	100,000,000	17.36
Mr. Tao Guolin (Notes 3, 4)	22,917,327	4.77	22,917,327	3.98
Mr. Tao Jian (Note 4)	20,000,000	4.17	20,000,000	3.47
LiquidTech Limited (Note 5)	14,000,000	2.92	14,000,000	2.43
<b>Public Shareholders</b>				
The Placees	–	–	96,000,000	16.67
Other Public Shareholders	<u>180,670,923</u>	<u>37.64</u>	<u>180,670,923</u>	<u>31.37</u>
Total	<u>480,000,000</u>	<u>100.00</u>	<u>576,000,000</u>	<u>100.00</u>

### Notes:

1. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. Gorgeous Real Investment Holding Limited is beneficially and wholly owned by Ms. Tao Hongxia, an executive Director and the chairlady of the Board.
3. Variant Wealth Investment Development Limited is beneficially and wholly owned by Mr. Tao Guolin, an executive Director.

4. Mr. Tao Jian is the brother of Ms. Tao Hongxia (an executive Director and the chairlady of the Board) and Mr. Tao Guolin (an executive Director).
5. LiquidTech Limited is wholly owned by Asia Media Systems Pte. Ltd. (“AMS”) which in turn is owned by Mr. Suh Seung Hyun, Mr. Lee Seung Han, Mr. Phung Nhuong Giang, Mr. Park Hyeoung Jin, Mr. Lee Sung Gue, Mr. Lee Je Eun and Ms. Marilyn Tang as to approximately 25.34%, 22.71%, 18.14%, 14.03%, 14.03%, 3.40% and 2.35%, respectively. Ms. Marilyn Tang is the owner of approximately 2.35% of the issued shares of AMS and the spouse of Mr. Phung Nhuong Giang. As such, Mr. Phung Nhuong Giang is deemed to be interested in all the Shares in which Ms. Marilyn Tang is interested under Part XV of the SFO. Mr. Lee Seung Han is an executive Director as at the date of this announcement, whereas each of Mr. Suh Seung Hyun and Mr. Phung Nhuong Giang was an executive Director who resigned from such position with effect from 31 October 2022.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 9 May 2023
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which commercial banks generally are open for normal banking business in Hong Kong
“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)
“Completion Date”	within five (5) Business Days after the Conditions are fulfilled (or such other date the Company and the Placing Agent may agree in writing), on which completion of the Placing shall take place pursuant to the Placing Agreement

“Condition(s)”	conditions to completion of the Placing as set out in the paragraph headed “Conditions of the Placing” of this announcement
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with additional Shares not exceeding 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owner(s), whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Placee(s)”	professional, institutional and other investor(s) whom the Placing Agent procures to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to an aggregate of 96,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Business Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 6 July 2023 in relation to the Placing
“Placing Price”	HK\$0.53 per Placing Share
“Placing Share(s)”	up to an aggregate of 96,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the 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
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“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, 6 July 2023

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

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