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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

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The Board is pleased to announce that on 12 October 2023 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 675,000 Subscription Shares at the Subscription Price of HK\$0.74 per Subscription Share. The Subscription is subject to various Conditions set out below under the paragraph headed Conditions of this announcement.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the Subscription Shares represent (i) approximately 0.12% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.12% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Price of HK\$0.74 per Subscription Share represents (i) a discount of approximately 3.9% to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 12 October 2023, being the date of the Subscription Agreement; and (ii) a discount of approximately 9.1% to the average closing price per Share of HK\$0.81 as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Subscription Agreement.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscriptions are expected to be approximately HK\$499,500. The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$480,000. The proceeds are currently intended to be applied as general working capital of the Group.

Completion of the Subscription is subject to various Conditions and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

The Board is pleased to announce that on 12 October 2023 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 675,000 Subscription Shares at the Subscription Price of HK\$0.74 per Subscription Share. The Subscription is subject to various Conditions set out below under the paragraph headed Conditions of this announcement.

The Subscription Agreement

Date: 12 October 2023

Parties: Issuer: The Company

The Subscriber: Mr. Lo Yik Kan Ricky

The Subscriber

The Subscriber is the Chief Technology Officer (Digital Assets) of the Company and the director and 49% shareholder of Hunter Digital, a 51% non-wholly owned subsidiary of the Company. Hunter Digital together with its two wholly-owned subsidiaries in the PRC are principally engaging in development of technology in relation to non-fungible token (“**Digital Assets**”) and the distribution of such Digital Assets through their self-developed point of sale system.

Hunter Digital is an insignificant subsidiary of the Company within the meaning of Rule 20.08(1) of the GEM Listing Rules. Accordingly, despite the Subscriber is the director and 49% shareholder of Hunter Digital, he is not a connected person of the Company within the meaning of Rule 20.07(1) of the GEM Listing Rules and the Subscription Agreement and the Subscription will not constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As at the date of this announcement, the Subscriber is the holder of 4,800,000 share options granted by the Company on 5 October 2023 under the share option scheme adopted by the Company on 21 June 2016 with vesting period of 12 months from the date of the grant and exercise price of HK\$0.84 per option Share.

Save as disclosed above, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, neither the Subscriber nor his associates (as defined in the GEM Listing Rules) hold or are interested in any Share or other securities of the Company.

The Subscription 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, the Subscription Shares represent (i) approximately 0.12% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.12% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.74 per Subscription Share represents:

- (i) a discount of approximately 3.9% to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 12 October 2023, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 8% to the average of the closing prices per Share of HK\$0.81 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The aggregate nominal value of the 675,000 Subscription Shares will be HK\$6,750.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Subscriber with reference to the recent market prices of the Shares and current market conditions. Subscription Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions

Completion is subject to fulfilment of the following Conditions:

- (i) the Listing Committee of the Stock Exchange having granted approval for the listing of and permission to deal in the Subscription Shares;
- (ii) all other necessary consents and approvals required to be obtained from any relevant governmental authorities and regulatory bodies on the part of the Company and/or the Subscriber, if any, for the Subscription Agreement and the transactions contemplated hereunder, having been obtained and remain in full force and effect; and
- (iii) there has been no material breach of any representations, warranties or agreements by the Company and/or the Subscriber under the Subscription Agreement.

If the Conditions are not fulfilled on or before the Long Stop Date, the Subscription Agreement shall terminate and neither of the Company nor the Subscriber shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Subscription Agreement.

As at the date of this announcement, none of the Conditions has not been satisfied.

Completion

Completion will take place within 5 Business Days after the Conditions had been satisfied (or such other date as may be agreed between the Company and the Subscriber in writing).

Completion of the Subscription is subject to various Conditions and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Application for listing

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

Ranking of the Subscription Shares

The Subscription Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue on the date of the allotment and issue of the Subscription Shares.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 96,000,000 new 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. Up to the date of this announcement, save for the Placing, no other new Shares has been issued under the General Mandate and 29,950,000 new Shares are available for allotment and issue under the General Mandate. Accordingly, the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders.

INFORMATION OF THE GROUP

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.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds from the Subscription will be HK\$499,500 and the net proceeds from the Subscription will be HK\$480,000 (after deduction of expenses of the Subscription), representing a net issue price of approximately HK\$0.74 per Subscription Share.

The net proceeds are currently intended to be applied as general working capital.

The Directors are of the view that the Subscription shows the confidence of the Subscriber in the business and future development of the Group will enhance the Subscriber's sense of belonging to the Group. The Directors also consider the terms of the Subscription Agreement including the Subscription Price are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

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 (approximately)	Intended use of proceeds	Actual use of proceeds
26 January 2023	Placing of 80,000,000 new Shares at HK\$0.22 per placing Shares	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) Fully utilized for the working capital of the Group to support its business operation

Date of initial announcement	Equity fund-raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
6 July 2023	Placing of 66,005,000 new Shares at HK\$0.79 per placing Shares	HK\$51.70 million	<p>(i) approximately HK\$15 million for repayment of the Group's indebtedness;</p> <p>(ii) approximately HK\$33.70 million for exploring business opportunities and/or investment in business(es) or the latest technologies should suitable opportunities arises; and</p> <p>(iii) approximately HK\$4 million for working capital of the Group.</p>	<p>Fully repayment of the Shareholders' loan at HK\$15 million</p> <p>HK\$23.6 million utilized for the investment in a business of the latest technologies</p>

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 (assuming all 675,000 Subscription Shares will be allotted and issued 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) are set out below:

	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	Approx. % (Note 1)	Number of Shares	Approx. % (Note 1)
Gorgeous Real Investment Holding Limited (Notes 2, 4)	192,411,750	35.24	192,411,750	35.20
Variant Wealth Investment Development Limited (Notes 3, 4)	50,000,000	9.16	50,000,000	9.15
Mr. Tao Guolin (Notes 3, 4)	22,917,327	4.20	22,917,327	4.19
Mr. Tao Jian (Note 4)	20,000,000	3.66	20,000,000	3.66
LiquidTech Limited (Note 5)	14,000,000	2.56	14,000,000	2.56
The Subscriber	–	–	675,000	0.12
Public Shareholders	246,675,923	45.18	246,675,923	45.12
Total	<u>546,005,000</u>	<u>100.00</u>	<u>546,680,000</u>	<u>100.00</u>

Notes:

- 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.
- Gorgeous Real Investment Holding Limited is beneficially and wholly owned by Ms. Tao Hongxia, an executive Director and the chairlady of the Board.
- Variant Wealth Investment Development Limited is beneficially and wholly owned by Mr. Tao Guolin, an executive Director.
- 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).
- LiquidTech Limited was at the material times wholly owned by Asia Media Systems Pte. Ltd. (“AMS”) which in turn was owned by Mr. Suh Seung Hyun (“**Mr. Suh**”), Mr. Lee Seung Han (“**Mr. Lee**”), Mr. Phung Nhuong Giang (“**Mr. Phung**”), 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 was the owner of approximately 2.35% of the issued shares of AMS and the spouse of Mr. Phung. As such, Mr. Phung was deemed to be interested in all the Shares in which Ms. Marilyn Tang was interested under Part XV of the SFO. Mr. Lee was at the material time an executive director of the Company whereas each of Mr. Suh and Mr. Phung was executive director of the Company who had 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 Saturdays, Sunday and public holidays) on which banks are generally open for 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”	completion of the Subscription pursuant to the Subscription Agreement
“Condition(s)”	conditions to Completion as set out in the paragraph headed “Conditions” 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
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunter Digital”	Hunter Digital Limited, a private company incorporated in the British Virgin Islands with limited liability which is 51% indirectly owned by the Company and 49% directly owned by the Subscriber

“Long Stop Date”	2 November 2023
“Placing”	placing of 66,005,000 new Shares by the Company under the General Mandate pursuant to the Placing Agreement dated 6 July 2023 (as supplemented on 27 July 2023) entered into between the Company as issuer and Business Securities Limited as placing agent
“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”	Securities and Futures Ordinance, Cap 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
“Subscriber”	Mr. Lo Yik Kan Ricky
“Subscription”	the subscription by the Subscriber from the Company of the Subscription Shares pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 12 October 2023 in relation to the Subscription
“Subscription Price”	HK\$0.74 per Subscription Share
“Subscription Share(s)”	675,000 new Shares to be subscribed by the Subscriber and to be allotted and issued by the Company pursuant to the Subscription Agreement
“%”	per cent

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

Hong Kong, 12 October 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 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.