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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Future Data Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 30 September 2023.

This announcement, containing the full text of the 2023 third quarterly report of the Group, complies with the relevant requirements of the Rules Governing the Listing of Securities on the GEM (“**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of quarterly results. Printed version of the 2023 third quarterly report of the Company containing the information required by the GEM Listing Rules will be dispatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange and of the Company in due course.

On behalf of the Board
Future Data Group Limited
Tao Hongxia
Chairlady and Executive Director

Hong Kong, 13 November 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 Announcements” page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the website of the Company at www.futuredatagroup.com.

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

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Future Data Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “Group”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Tao Hongxia (*Chairlady*)
Mr. Lee Seung Han (*Chief Executive Officer*)
Mr. Tao Guolin (*Group General Manager*)
Mr. Cheung Ting Pong
(*appointed on 16 May 2023*)

Independent Non-executive Directors

Mr. Chan Kin Ming
Mr. Lam Chi Cheung Albert
Mr. Leung Louis Ho Ming
(*appointed on 16 May 2023*)
Mr. Yu Wing Chung
(*resigned on 16 May 2023*)

BOARD COMMITTEES

Audit Committee

Mr. Chan Kin Ming (*Chairman*)
Mr. Lam Chi Cheung Albert
Mr. Leung Louis Ho Ming
(*appointed on 16 May 2023*)
Mr. Yu Wing Chung
(*resigned on 16 May 2023*)

Remuneration Committee

Mr. Lam Chi Cheung Albert (*Chairman*)
Mr. Cheung Ting Pong
(*appointed on 16 May 2023*)
Mr. Chan Kin Ming
Mr. Yu Wing Chung
(*resigned on 16 May 2023*)

Nomination Committee

Mr. Leung Louis Ho Ming (*Chairman*)
(*appointed on 16 May 2023*)
Mr. Cheung Ting Pong
(*appointed on 16 May 2023*)
Mr. Lam Chi Cheung Albert
Mr. Chan Kin Ming
Mr. Yu Wing Chung
(*resigned on 16 May 2023*)

COMPLIANCE OFFICER

Mr. Lee Seung Han

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN KOREA

Units A1304–1310, 13 Floor
150 Yeongdeungpo-ro
Yeongdeungpo-gu
Seoul
Korea

JOINT COMPANY SECRETARIES

Ms. Cheung Yuet Fan
Mr. Cheung Ting Pong
(*appointed on 16 May 2023*)

AUTHORISED REPRESENTATIVES

Ms. Tao Hongxia
Ms. Cheung Yuet Fan

AUDITOR

RSM Hong Kong
Certified Public Accountants
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

COMPLIANCE ADVISER

Giraffe Capital Limited
3/F, 8 Wyndham Street
Central, Hong Kong

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong law:
Tso Au Yim & Yeung, Solicitors
14/F, Tai Sang Bank Building
130-132 Des Voeux Road Central
Central, Hong Kong

As to Korean law:
Shin & Kim
Attorneys-at-law, Korea
23/F, D-Tower (D2)
17 Jongno 3-gil
Jongno-gu
Seoul 03155
Korea

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1703, 17/F
Office Tower, Convention Plaza
No. 1 Harbour Road
Wan Chai, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANK

Woori Bank
51, Sogong-ro
Jung-gu
Seoul, 04632
Korea

COMPANY WEBSITE ADDRESS

www.futuredatagroup.com

STOCK CODE

8229

Financial Highlights

For the nine months ended 30 September 2023

- Unaudited revenue of the Group was approximately HK\$305.7 million for the nine months ended 30 September 2023, representing a decrease of approximately HK\$109.4 million or 26.3%, as compared to the same corresponding period a year ago.
- Unaudited loss for the period was approximately HK\$12.2 million for the nine months ended 30 September 2023, representing a decrease of net loss of approximately HK\$0.5 million for the nine months ended 30 September 2022.
- Unaudited basic and diluted loss per share for the nine months ended 30 September 2023 was HK cents 2.03 and 2.03 respectively (unaudited basic and diluted earnings per share for the nine months ended 30 September 2022: HK cents 2.96 and 2.96 respectively).
- The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: Nil).

Quarterly Results

The board of directors (the “Board”) of the Company presents the unaudited condensed consolidated results of the Group for the three and nine months ended 30 September 2023, together with comparative figures as follows.

Condensed Consolidated Statement of Profit or Loss

For the three and nine months ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	102,681	143,599	305,734	415,091
Cost of sales and services		(90,746)	(130,538)	(267,977)	(377,871)
Gross profit		11,935	13,061	37,757	37,220
Other income, net		526	1,327	1,439	2,198
Selling and administrative expenses		(17,018)	(16,638)	(48,917)	(51,775)
Finance costs		(800)	(274)	(2,282)	(738)
Loss before income tax	4	(5,357)	(2,524)	(12,003)	(13,095)
Income tax (expense)/credit	5	(16)	(379)	(209)	411
Loss for the period		(5,373)	(2,903)	(12,212)	(12,684)
Attributable to:					
– Owners of the Company		(4,781)	(3,282)	(11,096)	(11,852)
– Non-controlling interests		(592)	379	(1,116)	(832)
		(5,373)	(2,903)	(12,212)	(12,684)
Loss per share attributable to owners of the Company					
Basic (HK cents)	6	(0.88)	(0.82)	(2.03)	(2.96)
Diluted (HK cents)		(0.88)	(0.82)	(2.03)	(2.96)

Condensed Consolidated Statement of Comprehensive Income

For the three and nine months ended 30 September 2023

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Loss for the period	(5,373)	(2,903)	(12,212)	(12,684)
Other comprehensive loss for the period				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	(2,815)	(10,628)	(7,971)	(20,995)
Total comprehensive expense for the period	(8,188)	(13,531)	(20,183)	(33,679)
Attributable to:				
– Owners of the Company	(7,595)	(13,921)	(19,067)	(32,865)
– Non-controlling interests	(593)	390	(1,116)	(814)
	(8,188)	(13,531)	(20,183)	(33,679)

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2023

	Attributable to equity holders of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserve HK\$'000	Capital reserve HK\$'000	Research and development reserve HK\$'000	Foreign exchange reserve HK\$'000	Legal reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2023 (audited)	4,000	35,718	-	13,855	3,674	(16,575)	3,124	88,064	131,860	1,475	133,335
Loss for the period	-	-	-	-	-	-	-	(11,096)	(11,096)	(1,116)	(12,212)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(7,971)	-	-	(7,971)	-	(7,971)
Total comprehensive expenses	-	-	-	-	-	(7,971)	-	(11,096)	(19,067)	(1,116)	(20,183)
Placing of shares, net (note 10)	1,460	67,671	-	-	-	-	-	-	69,131	-	69,131
Recognition of equity share-based payments	-	-	2,543	-	-	-	-	-	2,543	-	2,543
Non-controlling interest on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	3,242	3,242
At 30 September 2023 (unaudited)	5,460	103,389	2,543	13,855	3,674	(24,546)	3,124	76,968	184,467	3,601	188,068
At 1 January 2022 (audited)	4,000	35,718	-	13,855	3,674	(9,482)	2,913	89,261	139,939	2,098	142,037
Loss for the period	-	-	-	-	-	-	-	(11,852)	(11,852)	(832)	(12,684)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(21,013)	-	-	(21,013)	18	(20,995)
Total comprehensive expenses	-	-	-	-	-	(21,013)	-	(11,852)	(32,865)	(814)	(33,679)
Transferred from retained earnings upon declaration of final dividend from a subsidiary	-	-	-	-	-	-	239	(239)	-	-	-
At 30 September 2022 (unaudited)	4,000	35,718	-	13,855	3,674	(30,495)	3,152	77,170	107,074	1,284	108,358

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 4 January 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands and its shares have been listed on GEM of the Stock Exchange since 8 July 2016. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's principal place of business in Hong Kong is located at Room 1703, 17/F, Office Tower, Convention Plaza, No. 1 Harbour Road, Wan Chai, Hong Kong, whereas the principal place of business in Korea is located at Units A1304–1310, 13 Floor, 150 Yeongdeungpo-ro, Yeongdeungpo-gu, Seoul, Korea.

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.

The functional currencies of the Company's principal operating subsidiaries in Korea and Hong Kong are South Korean Won ("KRW") and Hong Kong Dollars ("HK\$") respectively, while the condensed consolidated financial statements are presented in HK\$ which is also the functional currency of the Company. As the Company's shares (the "Shares") are listed on GEM of the Stock Exchange, the Directors consider that it will be more appropriate to adopt HK\$ as the Group's presentation currency. The amounts stated are rounded to the nearest HK\$1,000 unless otherwise stated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements for the three and nine months ended 30 September 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements for the three and nine months ended 30 September 2023 are consistent with those adopted in the annual financial statements for the year ended 31 December 2022. The condensed consolidated financial statements for the three and nine months ended 30 September 2023 should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

On 1 January 2023, the Group has adopted all the new and revised HKFRSs, amendments and interpretations that are effective from that date and are relevant to its operations. The adoption of these new/revised HKFRSs, amendments and interpretations has no material effect on the results reported for the current or prior periods.

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

3. REVENUE AND SEGMENT INFORMATION

The Group's business is organised into three segments:

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

Segment revenue and profit contribution are:

(a) Business Segments

	Three months ended 30 September							
	2023				2022			
	System integration	Maintenance services	Cyber security services	Total	System integration	Maintenance services	Cyber security services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total segment revenue	59,116	37,024	8,749	104,889	96,622	37,993	10,284	144,899
Inter-segment revenue	-	-	(2,208)	(2,208)	-	-	(1,300)	(1,300)
Revenue from external customers	59,116	37,024	6,541	102,681	96,622	37,993	8,984	143,599
Gross profit/segment results	2,739	7,708	1,488	11,935	3,919	6,021	3,121	13,061
Other income, net				526				1,327
Selling and administrative expenses				(17,018)				(16,638)
Finance costs				(800)				(274)
Loss before income tax				(5,357)				(2,524)
Income tax expense				(16)				(379)
Loss for the period				(5,373)				(2,903)

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

	Nine months ended 30 September							
	2023				2022			
	System integration	Maintenance services	Cyber security services	Total	System integration	Maintenance services	Cyber security services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total segment revenue	178,273	106,226	27,835	312,334	279,873	114,825	24,133	418,831
Inter-segment revenue	-	-	(6,600)	(6,600)	-	-	(3,740)	(3,740)
Revenue from external customers	178,273	106,226	21,235	305,734	279,873	114,825	20,393	415,091
Gross profit/segment results	11,999	20,464	5,294	37,757	11,166	22,299	3,755	37,220
Other income, net				1,439				2,198
Selling and administrative expenses				(48,917)				(51,775)
Finance costs				(2,282)				(738)
Loss before income tax				(12,003)				(13,095)
Income tax (expense)/credit				(209)				411
Loss for the period				(12,212)				(12,684)

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

(b) Geographic Information

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Korea	96,140	134,615	284,499	394,698
Hong Kong	6,541	8,984	21,235	20,393
Total	102,681	143,599	305,734	415,091

(c) Revenue Analysis

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue from customers and recognised over time:				
– Revenue from system integration services	59,116	96,622	178,273	279,873
– Revenue from maintenance services	37,024	37,993	106,226	114,825
– Revenue from cyber security services	6,541	8,984	21,235	20,393
Total	102,681	143,599	305,734	415,091

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

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

	Three months ended 30 September							
	2023				2022			
	System integration	Maintenance services	Cyber security services	Total	System integration	Maintenance services	Cyber security services	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Type of goods or services								
- Cloud infrastructure	58,857	35,891	-	94,748	75,288	36,058	-	111,346
- Security	259	1,133	6,541	7,933	21,334	1,935	8,984	32,253
Total revenue from contracts with customers	59,116	37,024	6,541	102,681	96,622	37,993	8,984	143,599
Type of customers								
- Public sector	27,623	23,482	-	51,105	18,459	24,286	-	42,745
- Private sector	31,493	13,542	6,541	51,576	78,163	13,707	8,984	100,854
Total revenue from contracts with customers	59,116	37,024	6,541	102,681	96,622	37,993	8,984	143,599
Type of contract duration								
- Within twelve months	53,555	14,474	5,995	74,024	80,321	21,291	8,404	110,016
- Over twelve months but less than twenty-four months	2,995	7,977	137	11,109	16,301	3,252	339	19,892
- Over twenty-four months	2,566	14,573	409	17,548	-	13,450	241	13,691
Total revenue from contracts with customers	59,116	37,024	6,541	102,681	96,622	37,993	8,984	143,599

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

	Nine months ended 30 September							
	2023				2022			
	System integration	Maintenance services	Cyber security services	Total	System integration	Maintenance services	Cyber security services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Type of goods or services								
– Cloud infrastructure	172,528	102,938	–	275,466	178,995	108,087	–	287,082
– Security	5,745	3,288	21,235	30,268	100,878	6,738	20,393	128,009
Total revenue from contracts with customers	178,273	106,226	21,235	305,734	279,873	114,825	20,393	415,091
Type of customers								
– Public sector	86,426	82,984	–	169,410	64,901	80,982	–	145,883
– Private sector	91,847	23,242	21,235	136,324	214,972	33,843	20,393	269,208
Total revenue from contracts with customers	178,273	106,226	21,235	305,734	279,873	114,825	20,393	415,091
Type of contract duration								
– Within twelve months	154,633	44,955	19,077	218,665	251,875	73,654	18,303	343,832
– Over twelve months but less than twenty-four months	20,271	18,160	781	39,212	27,998	7,875	1,058	36,931
– Over twenty-four months	3,369	43,111	1,377	47,857	–	33,296	1,032	34,328
Total revenue from contracts with customers	178,273	106,226	21,235	305,734	279,873	114,825	20,393	415,091

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

4. LOSS BEFORE INCOME TAX

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

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Costs of inventories recognised as expenses	56,469	102,464	173,707	299,217
Employee costs	20,951	21,770	63,783	66,360
Subcontracting costs	21,708	13,867	54,298	35,976
Net provision/(reversal) for impairment of trade receivables	172	(695)	69	(367)
Amortisation of intangible assets	143	736	770	2,581
Depreciation of property, plant and equipment	731	444	2,050	1,351
Depreciation of right-of-use assets	433	581	1,344	1,800
Research and development costs	1,187	1,176	3,620	3,724
Interest on lease liabilities	53	20	149	62
Short term lease expenses	84	27	271	162
Exchange (gain)/losses, net	(116)	1,194	698	5,147

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

5. INCOME TAX EXPENSE/(CREDIT)

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Current tax				
– Korea	9	(228)	14	(615)
– Hong Kong	–	–	–	–
	9	(228)	14	(615)
Deferred tax				
– Korea	(11)	441	10	448
– Hong Kong	18	166	185	(244)
	7	607	195	204
Total	16	379	209	(411)

Global Telecom Company Limited (“Global Telecom”), is subject to Korean Corporate Income Tax which comprised national and local taxes (collectively “Korean Corporate Income Tax”). Korean Corporate Income Tax is charged at the progressive rate from 11.0% to 24.2% on the estimated assessable profit of Global Telecom derived worldwide during each of the periods presented.

- 11% on assessable profit up to the first KRW200 million (equivalent to approximately HK\$1.0 million);
- 22% on assessable profit in excess of KRW200 million (equivalent to approximately HK\$1.0 million) and up to KRW20 billion (equivalent to approximately HK\$98.5 million); and
- 24.2% on assessable profit in excess of KRW20 billion (equivalent to approximately HK\$98.5 million).

Subsidiaries operating in Hong Kong are subject to Hong Kong profits tax. Under two-tier profit tax regime, if the entity has one or more connected entity, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates. Hong Kong profits tax of the nominated entity is calculated at 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profits over HK\$2 million.

For the subsidiaries operating in Hong Kong which do not qualify for two-tiered profits tax rates, a profits tax rate of 16.5% on assessable profit shall remain in calculating Hong Kong profits tax.

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

6. BASIC AND DILUTED LOSS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Loss for the period attributable to owners of the Company, used in the basic and diluted loss per share calculation	(4,781)	(3,282)	(11,096)	(11,852)

	Three months ended 30 September		Nine months ended 30 September	
	2023 Number '000 (unaudited)	2022 Number '000 (unaudited) (Re-presented)	2023 Number '000 (unaudited)	2022 Number '000 (unaudited) (Re-presented)
Number of shares				
Number of ordinary shares	546,005	400,000	546,005	400,000
Effect of dilutive potential ordinary shares arising from placing of shares (note 10)	–	–	–	–
Weighted average number of ordinary shares for the purpose of basic loss per share (note)	546,005	400,000	546,005	400,000
Effect of dilutive potential ordinary shares arising from share options (note 9)	–	–	–	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	546,005	400,000	546,005	400,000

Note: Weighted average number of ordinary shares as at 30 September 2022 had been adjusted for bonus elements in the issue of placing shares through the January 2023 Placing and July 2023 Placing (defined in note 10).

Diluted (loss)/earnings per share were the same as the basic (loss)/earnings per share as the Group had no potential dilutive ordinary shares during the three and nine months ended 30 September 2023 and 2022.

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2023 (corresponding period in 2022: nil).

8. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF KEY MANAGEMENT

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Remuneration of directors and other members of key management	3,002	3,102	8,866	9,753

9. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, executives, directors, suppliers of goods or services, customers, consultants, adviser, managers of the Company, the Company's subsidiaries and invested entity the Group holds any equity interest. The Share Option Scheme became effective on 21 June 2016 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

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

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

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

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

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

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

Details of the specific categories of options are as follows:

Date of grant	Vesting period	Exercise period	Exercise price per share HK\$	Number of share options granted
Director				
16 May 2023	16 May 2023 to 15 May 2024	16 May 2023 to 15 May 2033	0.810	4,800,000
Employees				
3 April 2023	3 April 2023 to 2 April 2024	3 April 2023 to 2 April 2033	0.656	7,200,000

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

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

	Date of grant	Exercise price per share HK\$	Number of options outstanding at 1 January 2023	Granted during the period	Exercised during the period	Forfeited during the period	Number of options outstanding at 30 September 2023
Director	16 May 2023	0.810	–	4,800,000	–	–	4,800,000
Employees	3 April 2023	0.656	–	19,200,000	–	(9,600,000)	7,200,000
			–	24,000,000	–	(9,600,000)	12,000,000
Weighted average exercise price			N/A	HK\$0.69	N/A	HK\$0.66	HK\$0.72

Above options being granted to a Director on 16 May 2023 will be vested on 15 May 2024, and for those being granted to employees on 3 April 2023 will be vested on 2 April 2024.

As at 30 September 2023, no share option was exercisable (31 December 2022: Nil).

The options outstanding at the end of the period have a weighted average remaining contractual life of 9.6 years and the exercise prices range from HK\$0.66 to HK\$0.81. The estimated fair values of the share options granted on 3 April 2023 and 16 May 2023 are approximately HK\$5,390,000 and HK\$2,524,000 respectively.

These fair values were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

Date of grant	3 April 2023	16 May 2023
Weighted average share price	HK\$0.64	HK\$0.81
Weighted average exercise price	HK\$0.66	HK\$0.81
Expected volatility	78.66%–84.71%	84.54%
Expected life	2–10 years	10 years
Risk free rate	3.17%–3.33%	3.02%
Expected dividend yield	0.00%	0.00%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years. The expected life used in the model has been adjusted, based on the valuer's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended 30 September 2023

The Group recognised the total expense of approximately HK\$2,543,000 for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil) in relation to share options granted by the Company.

10. PLACING OF SHARES

- (a) On 26 January 2023, the Company and Business Securities Limited (the “Placing Agent”), entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, up to an aggregate of 80,000,000 placing shares at a price of HK\$0.22 per placing shares (the “January 2023 Placing”).

The January 2023 Placing has been completed on 17 February 2023 (“Date of Completion of January 2023 Placing”). All the 80,000,000 placing shares have been successfully placed by the Placing Agent. The 80,000,000 placing shares represent 20.00% of the existing issued share capital of the Company before the Date of Completion of January 2023 Placing and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the placing shares immediately upon the Date of Completion of January 2023 Placing.

The net proceeds from the January 2023 Placing amounted to approximately HK\$17.2 million (after deduction of commission and other expenses of the January 2023 Placing). The Directors intended to use the net proceeds for repayment of indebtedness and replenishing the working capital of the Group to support its business operations.

- (b) On 6 July 2023 and 27 July 2023, the Company and the Placing Agent, entered into a placing agreement and a supplemental agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, up to an aggregate of 96,000,000 placing shares at a price of HK\$0.79 per placing shares (the “July 2023 Placing”).

The July 2023 Placing has been completed on 24 August 2023 (“Date of Completion of July 2023 Placing”). 66,005,000 placing shares represent approximately 13.75% of the existing issued share capital of the Company immediately before the Date of Completion of July 2023 Placing and approximately 12.09% of the issued share capital of the Company as enlarged by the allotment and the issue of the placing shares immediately upon the Date of Completion of July 2023 Placing.

The net proceeds from the July 2023 Placing amounted to approximately HK\$51.7 million, (after deduction of commission and other expenses of the July 2023 Placing). The Directors intended to use the net proceeds for the repayment of the Group’s indebtedness, exploring business opportunities and/or investment in business(es) or the latest technologies should suitable opportunities arise and working capital of the Group.

Management Discussion and Analysis

FINANCIAL REVIEW

Condensed Consolidated Statement of Profit or Loss

For the three and nine months ended 30 September 2023

	Three months ended		Change HK\$'000	Change %	Nine months ended		Change HK\$'000	Change %
	30 September 2023 HK\$'000 (unaudited)	30 June 2023 HK\$'000 (unaudited)			30 September 2023 HK\$'000 (unaudited)	30 September 2022 HK\$'000 (unaudited)		
Revenue	102,681	133,811	(31,130)	(23.3%)	305,734	415,091	(109,357)	(26.3%)
Cost of sales and services	(90,746)	(112,505)	(21,759)	(19.3%)	(267,977)	(377,871)	(109,894)	(29.1%)
Gross profit	11,935	21,306	(9,371)	(44.0%)	37,757	37,220	537	1.4%
Other income, net	526	439	87	19.8%	1,439	2,198	(759)	(34.5%)
Selling and administrative expenses	(17,018)	(16,167)	851	5.3%	(48,917)	(51,775)	(2,858)	(5.5%)
Finance costs	(800)	(957)	(157)	(16.4%)	(2,282)	(738)	1,544	209.2%
(Loss)/profit before income tax	(5,357)	4,621	N/A	N/A	(12,003)	(13,095)	(1,092)	(8.3%)
Income tax (expense)/credit	(16)	(163)	(147)	(90.2%)	(209)	411	N/A	N/A
(Loss)/profit for the period	(5,373)	4,458	N/A	N/A	(12,212)	(12,684)	(472)	(3.7%)

Management Discussion and Analysis

For the nine months ended 30 September 2023, the Group posted a revenue of approximately HK\$305.7 million representing a decrease of approximately HK\$109.4 million or 26.3% when compared to the revenue of approximately HK\$415.1 million in the same corresponding period in 2022. An analysis of the Group's revenue is presented below:

- Korea contributed approximately HK\$284.5 million for the nine months ended 30 September 2023, dropping by approximately HK\$110.2 million or 27.9% compared to approximately HK\$394.7 million a year ago. Such decline was mainly due to adverse business and economic conditions. Business in Hong Kong contributed approximately HK\$21.2 million, which was approximately HK\$0.8 million or 4.1% higher compared to approximately HK\$20.4 million a year ago. Business in Hong Kong has been improving since the second quarter of the calendar year in 2022.
- Segment revenue from system integration, maintenance services and cyber security services were approximately HK\$178.3 million, HK\$106.2 million and HK\$21.2 million, respectively which accounted for 58.3%, 34.7% and 7.0% of the Group's revenue (for the nine months ended 30 September 2022: 67.4%, 27.7% and 4.9%, respectively).

- For the nine months ended 30 September 2023, public sector contributed approximately HK\$169.4 million in revenue, which increased by approximately HK\$23.5 million or 16.1% compared to the corresponding period of 2022; while private sector contributed approximately HK\$136.3 million in revenue, which decreased by approximately HK\$132.9 million or 49.4% compared to the corresponding period of 2022.

The Group's gross profit increased by approximately HK\$0.5 million or 1.4% from approximately HK\$37.2 million for the nine months ended 30 September 2022 to approximately HK\$37.8 million for the nine months ended 30 September 2023. During the period, the Group was awarded relatively higher margin order and implemented better cost control and time allocation on staffing, which boosted up the gross margin during the period.

The Group posted a selling and administrative expenses of approximately HK\$48.9 million for the nine months ended 30 September 2023 which was comparable to the amount of approximately HK\$51.8 million for the nine months ended 30 September 2022. The slight decrease of approximately HK\$2.9 million or 5.5% year-on-year was mainly caused by the cost control on administrative expenses to ease the loss from operation.

The Group's loss for the period stood at approximately HK\$12.2 million for the nine months ended 30 September 2023, compared to approximately HK\$12.7 million in the same corresponding period in 2022.

Management Discussion and Analysis

Liquidity and Financial Resources

As at 30 September 2023, the Group's net current assets were approximately HK\$115.0 million showing a strong liquidity.

The Group expresses its gearing ratio as a percentage of total debt over total equity. As at 30 September 2023, the gearing ratio was 25.8% (as at 31 December 2022: 50.6%). The decrease was due to the increase of bank balance by the results of completion of 2023 July Placing. The liquidity ratio, represented by a ratio of current assets over current liabilities, was 1.98 times (as at 31 December 2022: 1.4 times), reflecting the adequacy of financial resources.

As at 30 September 2023, the Group recorded cash and cash equivalents of approximately HK\$70.8 million (as at 31 December 2022: approximately HK\$122.6 million), which included approximately KRW7,729 million, HK\$24.4 million, and small amount of US dollars ("US\$"), Singapore dollars and Great Britain Pound.

As at 30 September 2023, the Group had variable rate bank borrowings in US\$ and KRW of approximately US\$1.4 million and KRW5,800 million, which was equivalent to approximately HK\$44.4 million (as at 31 December 2022: approximately HK\$41.8 million).

Foreign Exchange Exposure

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

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

Charges on Group's Assets

As at 30 September 2023, the Group pledged freehold land and buildings and investment properties with carrying value of approximately HK\$44.0 million (as at 31 December 2022: HK\$Nil) to secure a mortgage granted to the Group.

Material Investments and Capital Assets

The Group did not have any material investments and capital assets for the nine months ended 30 September 2023.

Significant Acquisitions and Disposals

On 25 July 2023 and 27 September 2023, Future Data China Holdings Limited, the wholly owned subsidiary of the Company, subscribed 51% of the issued share capital of Hunter Digital Limited ("Hunter Digital") as pursuant to the announcement dated at 25 July 2023 and acquired 90% of the issued share capital of Prosper Long Limited ("Prosper Long") at HK\$23,400,000 respectively. The principal business activities of the Hunter Digital is engaging in development of technology in relation to non-fungible token ("Digital Assets") and the distribution of such Digital Assets. The principal business activities of Prosper Long is engaging in the provision of metaverse and Digital Asset technology services and solution to build virtual spaces, venues and properties on the metaverse platform for event management and marketing purposes.

Management Discussion and Analysis

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2023 (as at 31 December 2022: HK\$Nil).

Capital Commitment

As at 30 September 2023, the Group did not have any significant capital commitments (as at 31 December 2022: approximately HK\$1.5 million).

BUSINESS REVIEW

	HK\$'000
Opening backlog as at 1 January 2023	161,699
New booking during the period	422,613
Revenue recognised during the period	(305,734)
Closing backlog as at 30 September 2023	278,578

As at 30 September 2023, the Group's closing backlog balance surged to approximately HK\$278.6 million due to major projects awarded close to the period end. Examples of contracts awarded during the period included:

- A contract won from a construction company amounting to approximately KRW9.5 billion (equivalent to HK\$55.2 million);
- A contract won from a railway company amounting to approximately KRW8.1 billion (equivalent to HK\$47.1 million);
- A contract won from a branch of the Government of South Korea amounting to approximately KRW2.8 billion (equivalent to HK\$16.3 million);
- A contract won from a cloud service company amounting to approximately KRW6.2 billion (equivalent to HK\$36.1 million); and

- A contract won from a branch of the Government of South Korea amounting to approximately KRW3.0 billion (equivalent to HK\$17.5 million).

Revenue from maintenance services segment has been declining during the nine months ended 30 September 2023 to HK\$106.2 million from HK\$114.8 million for the same corresponding period in 2022. The decline was due to termination of low margin contracts.

For the nine months ended 30 September 2023, cyber security services segment recorded a revenue of HK\$21.2 million which represented an increase of HK\$0.8 million or 4.1% compared to the corresponding period of 2022. The increase was resulted from the uplifting of social distancing measures in Hong Kong since early 2023.

Management Discussion and Analysis

PROSPECTS

Although the Group has recorded a loss for the nine months ended 30 September 2023, our order book is increasing and the situation is improving. Meanwhile, the management endeavors to widen the Group's business scope to the latest trend of technologies, in relation of Digital Assets e.g. non-fungible token, blockchain and metaverse, as part of its business plan to enhance its revenue streams and build up synergies with the Group's existing businesses. The Group has been actively exploring business opportunities to tap into business of these latest trend of technologies in relation to Digital Assets for the potential markets in Southeast Asia region and China. The Group launched its metaverse and supported a youth event in Singapore in October 2023 by leveraging with the technologies equipped in previous transactions. This youth event covered countries in the The Association of Southeast Asian Nations ("ASEAN"), China and India were able to penetrate the respective markets in relation of business development of Digital Assets.

China is promoting Digital Assets to combine social and cultural factors for new business model and further development of the digital economy. With the completion of the subscription to the investee company which was announced on 25 July 2023, the Group is able to tap into new business of Digital Assets in the markets of China and Hong Kong.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group had an aggregate of 255 (30 September 2022: 207) employees comparable to the number of employees for the same corresponding period in last year.

The employees of the Group are remunerated according to their job scope and responsibilities. The employees are also entitled to discretionary bonus depending on their respective performance. Total employee costs, including Directors' emoluments, amounted to approximately HK\$63.8 million for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: approximately HK\$66.4 million).

The Group has adopted a share option scheme ("Share Option Scheme") for the purpose of providing incentives and rewards to eligible persons who contributed to the success of the Group's operation. On 3 April 2023 and 16 May 2023, the Company offered to grant a total of 19,200,000 share options and a total of 4,800,000 share options, respectively, to grantees who are employees and a Director under the Share Option Scheme since its adoption.

Further details of the above grant of share options are set out in the Company's announcements dated 3 April 2023 and 16 May 2023 respectively.

In enhancing the competitiveness and improving staff quality through continuous learning, the Group provides our staff with regular technical and on-the-job trainings and encourages our staff to attend external seminars and sit for examinations to develop their knowledge continuously.

Management Discussion and Analysis

USE OF PROCEEDS FROM THE PLACING

Placing of New Shares under General Mandate Took Place on 17 February 2023

As disclosed in the Company's announcements dated 26 January 2023 and 17 February 2023 respectively, the conditions set out in the placing agreement have been fulfilled and completion of the placing took place on 17 February 2023, where all the 80,000,000 placing shares have been successfully placed by the

placing agent to not less than six places at the placing price of HK\$0.22 per placing share pursuant to the terms and conditions of the placing agreement.

The net proceeds from the placing (after deduction of commission and other expenses of the placing) amounted to approximately HK\$17.2 million and were used as follows:

	Planned use of net proceeds from 17 February 2023 up to 30 September 2023 HK\$ million	Actual use of net proceeds up to 30 September 2023 HK\$ million
Repayment of the Group's indebtedness	10.0	10.0
Replenishing the working capital of the Group to support its business operations	7.2	7.2
Total	17.2	17.2

Management Discussion and Analysis

Placing of New Shares under General Mandate Took Place on 24 August 2023

As disclosed in the Company's announcements dated 6 July 2023, 27 July 2023 and 24 August 2023 respectively, the conditions set out in the placing agreement have been fulfilled and completion of the placing took place on 24 August 2023, where all the 66,005,000 placing

shares have been successfully placed by the placing agent to not less than six places at the placing price of HK\$0.79 per placing share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing (after deduction of commission and other expenses of the placing) amounted to approximately HK\$51.70 million and were used as follows:

	Planned use of net proceeds from 24 August 2023 up to 30 September 2023 HK\$ million	Actual use of net proceeds up to 30 September 2023 HK\$ million
Repayment of the Group's indebtedness	15.00	15.00
Exploring business opportunities and/or investment in business(es) or the latest technologies should suitable opportunities arise	32.70	23.60
Replenishing the working capital of the Group to support its business operations	4.00	–
Total	51.70	38.60

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2023, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules are as follows:

Long Positions in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held	Approximate percentage of issued share capital ^(Note 4)
Ms. Tao Hongxia ^(Note 1) ("Ms. Tao")	Interest in controlled corporation	192,411,750	35.24%
Mr. Tao Guolin ^(Note 2) ("Mr. Tao")	Beneficial owner/Interest in controlled corporation	72,917,327	13.36%
Mr. Lee Seung Han ^(Note 3) ("Mr. Lee")	Interest held jointly with other persons/Interest in controlled corporation	14,000,000	2.56%
Mr. Cheung Ting Pong ("Mr. Cheung")	Beneficial owner	4,800,000	0.88%

Notes:

- (1) Gorgeous Real Investment Holding Limited ("Gorgeous Real") held 192,411,750 shares of the Company and which is wholly owned by Ms. Tao. On 11 September 2023, Gorgeous Real has acquired 50,000,000 shares of the Company from Variant Wealth.
- (2) Variant Wealth Investment Development Limited ("Variant Wealth") held 50,000,000 shares of the Company and which is wholly owned by Mr. Tao. Mr. Tao is deemed to be interested in 50,000,000 shares of the Company held by Variant Wealth.
- (3) LiquidTech Limited ("LiquidTech") 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, 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.

Corporate Governance and Other Information

- (4) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 30 September 2023 (i.e. 546,005,000 Shares).

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2023, so far as known to the Directors, the following persons (not being Directors or chief executive of the Company) had or were deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO who, are directly or indirectly interested in 5% or more of the Shares.

Long Positions in the Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of issued share capital ^(Note 4)
Gorgeous Real ^(Note 1)	Beneficial owner	192,411,750	35.24%
Variant Wealth ^(Note 2)	Beneficial owner	50,000,000	9.16%
Ms. Han Lerong ^(Note 3) ("Ms. Han")	Interest of spouse	72,917,327	13.36%

Notes:

- (1) Gorgeous Real held 192,411,750 shares of the Company and which is wholly owned by Ms. Tao. On 11 September 2023, Gorgeous Real has acquired 50,000,000 shares of the Company from Variant Wealth.
- (2) Variant Wealth held 50,000,000 shares of the Company and which is wholly owned by Mr. Tao. Mr. Tao is deemed to be interested in 50,000,000 shares of the Company held by Variant Wealth.
- (3) Ms. Han is the spouse of Mr. Tao. Ms. Han is deemed to be interested in all the Shares in which Mr. Tao is interested under Part XV of the SFO.
- (4) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 30 September 2023 (i.e. 546,005,000 Shares).

Corporate Governance and Other Information

Save as disclosed above, as at 30 September 2023, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, who are directly or indirectly interested in 5% or more of the Shares.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at 30 September 2023, the Company has maintained the public float as required under the GEM Listing Rules.

SHARE OPTION SCHEME

The Company has adopted a Share Option Scheme which was approved and adopted by the written resolutions of the then sole shareholder of the Company passed on 21 June 2016. On 3 April 2023 and 16 May 2023, the Company offered to grant a total of 19,200,000 share options and a total of 4,800,000 share options, respectively, to grantees who are employees and a Director under the Share Option Scheme since its adoption.

Further details of the above grant of share options are set out in the Company's announcements dated 3 April 2023 and 16 May 2023 respectively.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its securities dealing code ("Securities Dealing Code") which is no less exacting than the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his compliance with the Securities Dealing Code during the nine months ended 30 September 2023.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the nine months ended 30 September 2023, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

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

The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code") and

Corporate Governance and Other Information

in relation to, among others, our Directors, Chairman and Chief Executive Officer, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communications with the shareholders of the Company.

To the best knowledge of the Board, the Company had complied with the code provisions in the CG Code during the nine months ended 30 September 2023.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SECURITIES

The Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares during the nine months ended 30 September 2023.

EVENTS AFTER THE REPORTING DATE

1. Grant of Share Options

On 5 October 2023, the Company offered to grant a total of 5,800,000 share options (the "Share Options") under the Share Option Scheme to a total of 2 grantees who are employees of the Group (the "Grantees"). The Grantees are entitled, subject to the terms and conditions of the grant and upon exercise, to subscribe for total of 5,800,000 shares of the Company (the "Shares").

Further details of the Share Options are set out in the Company's announcement dated 5 October 2023.

2. Subscription of New Shares under General Mandate Took Place on 25 October 2023

On 12 October 2023, the Company entered into the Subscription Agreement with Mr. Lo Yik Kan Ricky (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"). The net proceeds from the Subscription were approximately HK\$480,000 (after deduction of commission and other expenses of the Subscription). The Group intended to use the net proceeds for general working capital of the Company and there was a discount of approximately 3.90% to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 12 October 2023.

The Conditions set out in the Subscription Agreement have been fulfilled and the Subscription has been completed on 25 October 2023 (the "Completion"). The 675,000 Subscription Shares represent 0.12% of the existing issued share capital of the Company immediately before the Completion and approximately 0.12% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately upon the Completion.

The net proceeds from the Subscription amounted to approximately HK\$480,000 (after deduction of commission and other expenses of the Subscription), the Directors intended to be applied as general working capital of the Company.

Corporate Governance and Other Information

Further details of the Subscription are set out in the Company's announcements dated 12 October 2023 and 25 October 2023, respectively.

AUDIT COMMITTEE

The Company established an audit committee ("Audit Committee") with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code. As at the date of this report, the Audit Committee consists of three independent non-executive Directors namely, Mr. Chan Kin Ming, Mr. Lam Chi Cheung Albert and Mr. Leung Louis Ho Ming. Mr. Chan Kin Ming possesses the appropriate professional accounting qualifications and serves as the chairman of the Audit Committee.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management systems and internal control systems and the internal control function, audit plan and relationship with external auditors, and arrangement to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee had reviewed the unaudited quarterly results of the Company for the nine months ended 30 September 2023.

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

Hong Kong, 13 November 2023