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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)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **FINANCIAL HIGHLIGHTS**

- The revenue of Future Data Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2023 (the “**Year**”) was approximately HK\$482.0 million, representing a decrease of approximately 22.0% from approximately HK\$617.6 million for the year ended 31 December 2022 (the “**Previous Year**”).
- Loss for the Year was approximately HK\$19.1 million as compared to the loss of approximately HK\$4.0 million for the Previous Year.
- Basic and diluted loss per share were both HK3.32 cent for the Year (2022: HK 0.77 cents).
- The Board did not recommend the payment of any dividend for the Year (2022: nil).

## ANNUAL RESULTS

The Board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated results of the Group for the Year together with the comparative figures for the Previous Year.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	<b>2022</b> <i>HK\$'000</i>
<b>Revenue</b>	5	<b>482,008</b>	617,641
Cost of revenue		<u><b>(421,682)</b></u>	<u>(559,320)</u>
<b>Gross profit</b>		<b>60,326</b>	58,321
Other income	6	<b>4,001</b>	2,855
(Provision for)/reversal of impairment of trade and bills receivables, net		<b>(754)</b>	761
Impairment of goodwill		<b>(7,534)</b>	–
Selling and administrative expenses		<b>(74,049)</b>	(63,073)
Finance costs	7	<u><b>(3,030)</b></u>	<u>(1,317)</u>
<b>Loss before income tax</b>	8	<b>(21,040)</b>	(2,453)
Income tax credit/(expense)	9	<u><b>1,926</b></u>	<u>(1,516)</u>
<b>Loss for the Year</b>		<u><b>(19,114)</b></u>	<u>(3,969)</u>
<b>Other comprehensive (expense)/income for the Year</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement effects of defined benefit obligations		<b>(3,957)</b>	3,026
Deferred tax credit/(expense)		<u><b>827</b></u>	<u>(666)</u>
Recognition of actuarial (losses)/gains on defined benefit obligations		<b>(3,130)</b>	2,360
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u><b>(3,412)</b></u>	<u>(7,093)</u>
Total other comprehensive expense, net of tax		<u><b>(6,542)</b></u>	<u>(4,733)</u>
<b>Total comprehensive expense for the Year</b>		<u><u><b>(25,656)</b></u></u>	<u><u>(8,702)</u></u>

	<i>Notes</i>	<b>2023</b> <b><i>HK\$'000</i></b>	2022 <i>HK\$'000</i>
<b>Loss for the year attributable to:</b>			
Owners of the Company		(16,367)	(3,346)
Non-controlling interests		<u>(2,747)</u>	<u>(623)</u>
		<b><u>(19,114)</u></b>	<b><u>(3,969)</u></b>
<b>Total comprehensive expense attributable to:</b>			
Owners of the Company		(22,909)	(8,079)
Non-controlling interests		<u>(2,747)</u>	<u>(623)</u>
		<b><u>(25,656)</u></b>	<b><u>(8,702)</u></b>
<b>Loss per share attributable to owners of the Company</b>			
– Basic and diluted (HK cents per share)	<i>11</i>	<b><u>(3.32)</u></b>	<b><u>(0.77)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		32,438	41,394
Investment properties		–	14,780
Intangible assets		10,591	1,174
Goodwill		15,966	7,534
Other financial assets		4,412	4,416
Rental and other deposits		1,154	722
Prepayments	12	2,070	685
Defined benefit assets		652	3,089
Deferred tax assets		4,879	6,750
		<u>72,162</u>	<u>80,544</u>
<b>Current assets</b>			
Inventories		3,327	12,675
Trade and other receivables	12	54,257	111,174
Contract assets		7,684	6,150
Prepayments	12	4,565	5,273
Fixed bank deposits		11,216	1,857
Cash and cash equivalents		122,708	122,561
		<u>203,757</u>	<u>259,690</u>
<b>Current liabilities</b>			
Trade and other payables	13	67,472	116,655
Contract liabilities		13,594	21,894
Loan from a shareholder		–	5,000
Amount due to a shareholder		1,376	1,376
Amount due to a shareholder of a subsidiary		188	–
Lease liabilities		2,050	1,723
Bank borrowings		–	41,809
Tax payable		84	879
		<u>84,764</u>	<u>189,336</u>
<b>Net current assets</b>		<u><u>118,993</u></u>	<u><u>70,354</u></u>
<b>Total assets less current liabilities</b>		<u><u>191,155</u></u>	<u><u>150,898</u></u>

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities		<b>2,508</b>	2,879
Loans from shareholders		<b>5,648</b>	14,684
		<u>8,156</u>	<u>17,563</u>
<b>Net assets</b>		<b>182,999</b>	133,335
<b>EQUITY</b>			
Share capital		<b>5,467</b>	4,000
Reserves		<b>176,637</b>	127,860
<b>Equity attributable to owners of the Company</b>		<b>182,104</b>	131,860
<b>Non-controlling interests</b>		<b>895</b>	1,475
<b>Total equity</b>		<b>182,999</b>	133,335

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL

Future Data Group Limited (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 are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). 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 is located at Room 1703, 17/F., Office Tower, Convention Plaza, No. 1 Harbour Road, Wan Chai, Hong Kong.

The principal places of the business of its subsidiaries are located at Units A1304–1310, 13 Floor, 150 Yeongdeungpo-ro, Yeongdeungpo-gu, Seoul, Korea.

The principal activity of the Company is investment holding. The Company and its subsidiaries (together 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.

## 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### (a) Adoption of amended HKFRSs

The Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) has issued a number of amended HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules – Amendments to HKAS 12
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

None of these amended HKFRSs and HKASs has a significant impact on the Group’s results and financial position for current or prior period.

The Group has not early adopted any amended HKFRSs that are not yet effective for the current accounting period.

**(b) Revised HKFRSs that have been issued but are not yet effective**

The following revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company (the “**Directors**”) do not anticipate that the application of the amendments and revision in the future will have significant impact on the consolidated financial statements.

**3. BASIS OF PREPARATION**

**(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the HKICPA and the disclosure requirements of the Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”).

**(b) Basis of measurement**

The consolidated financial statements have been prepared under the historical cost basis except for certain other financial assets which are measured at fair value.

**(c) Functional and presentation currency**

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 consolidated financial statements are presented in HK\$ which is also the functional currency of the Company. As the Company’s 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.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Companies Ordinance.

#### 5. REVENUE

Revenue mainly represents income from provision of system integration, maintenance services and cyber security services during the reporting period. An analysis of the Group's revenue by category for the year ended 31 December 2023 was as follows:

(a) An analysis of the Group's revenue by business segments and timing of recognition:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Revenue from customers and recognised over time</b>		
– Contract revenue from provision of system integration	301,375	427,481
– Contract revenue from provision of maintenance services	152,356	159,964
– Contract revenue from provision of cyber security services	28,277	30,196
	<u>482,008</u>	<u>617,641</u>

System integration, maintenance services and cyber security services represent performance obligations that the Group satisfies over time for each respective contract.

The following table provides information about trade and bills receivables, contract assets and contract liabilities from contracts with customers:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
– Trade and bills receivables (net of impairment)	44,309	107,290
– Contract assets	7,684	6,150
– Contract liabilities	13,594	21,894
	<u>65,587</u>	<u>135,334</u>



**(b) Disaggregation of revenue**

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

	2023				2022			
	System integration <i>HK\$'000</i>	Maintenance services <i>HK\$'000</i>	Cyber security services <i>HK\$'000</i>	Total <i>HK\$'000</i>	System integration <i>HK\$'000</i>	Maintenance services <i>HK\$'000</i>	Cyber security services <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Type of services</b>								
– Cloud infrastructure	294,730	148,168	–	442,898	321,627	154,321	–	475,948
– Security	6,645	4,188	28,277	39,110	105,854	5,643	30,196	141,693
<b>Total revenue from contracts with customers</b>	<b>301,375</b>	<b>152,356</b>	<b>28,277</b>	<b>482,008</b>	<b>427,481</b>	<b>159,964</b>	<b>30,196</b>	<b>617,641</b>
<b>Type of customers</b>								
– Public sector	143,458	122,377	–	265,835	121,137	115,337	–	236,474
– Private sector	157,917	29,979	28,277	216,173	306,344	44,627	30,196	381,167
<b>Total revenue from contracts with customers</b>	<b>301,375</b>	<b>152,356</b>	<b>28,277</b>	<b>482,008</b>	<b>427,481</b>	<b>159,964</b>	<b>30,196</b>	<b>617,641</b>
<b>Contract duration</b>								
– Within 12 months	265,379	59,701	25,477	350,557	397,675	96,722	26,451	520,848
– Over 12 months but less than 24 months	32,637	28,816	1,142	62,595	29,691	34,776	1,426	65,893
– Over 24 months	3,359	63,839	1,658	68,856	115	28,466	2,319	30,900
<b>Total revenue from contracts with customers</b>	<b>301,375</b>	<b>152,356</b>	<b>28,277</b>	<b>482,008</b>	<b>427,481</b>	<b>159,964</b>	<b>30,196</b>	<b>617,641</b>

**(c) Transaction price allocated to the remaining performance obligations**

The follow table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at end of the reporting period:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Provision of system integration	101,159	81,088
Provision of maintenance services	86,321	67,320
Provision of cyber security services	15,227	13,291
	<b>202,707</b>	<b>161,699</b>

Based on the information available to the Group at the end of the reporting period, the management of the Group expects the transaction price amounting to HK\$202,707,000 (2022: HK\$161,699,000) allocated to the contracts under system integration, maintenance services and cyber security services as at 31 December 2023 will be recognised as revenue on or before 31 December 2026 (2022: on or before 28 February 2026).

## 6. OTHER INCOME

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest income	610	601
Fair value gain on other financial assets	108	115
Gain on disposal of investment properties	2,202	–
Gain on disposal of property, plant and equipment	660	160
Miscellaneous gains	421	1,979
	<u>4,001</u>	<u>2,855</u>

## 7. FINANCE COSTS

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on borrowings	2,760	1,207
Interest on lease liabilities	270	110
	<u>3,030</u>	<u>1,317</u>

## 8. LOSS BEFORE INCOME TAX

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of inventories recognised as expenses	306,211	448,747
Provision for/(reversal of) impairment of inventories	1,579	(545)
Employee costs	93,343	86,774
Depreciation charge		
– Owned property, plant and equipment	2,501	1,940
– Right-of-use assets	1,743	2,635
	4,244	4,575
Depreciation of investment properties	223	37
Amortisation of intangible assets	1,731	2,916
Auditor's remuneration		
– Audit services	1,100	1,200
– Non-audit services	100	150
	1,225	1,350
Research and development costs ( <i>note</i> )	5,174	4,869
Subcontracting costs	59,748	54,534
Provisional for/(reversal of) impairment of trade and bills receivables, net	754	(761)
Interest on lease liabilities	270	110
Net loss on disposal of other financial assets	–	61
Fair value gain on other financial assets	(108)	(115)
Net loss on foreign exchange	1,733	1,892
Loss/(gain) on lease modifications	3	(5)
Short-term leases expenses	427	342
Low-value assets leases expenses	370	20

*Note:* Research and development costs included employee costs of approximately HK\$2,833,000 for the year ended 31 December 2023 (2022: HK\$2,896,000) as disclosed above.

## 9. INCOME TAX (CREDIT)/EXPENSE

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax - Korea		
– Provision for the year	1,735	2,224
– Overprovision in prior years	<u>(3,641)</u>	<u>–</u>
	<u>(1,906)</u>	<u>2,224</u>
Deferred tax		
– Korea	(648)	(427)
– Hong Kong	<u>628</u>	<u>(281)</u>
	<u>(20)</u>	<u>(708)</u>
Income tax (credit)/expense	<u><u>(1,926)</u></u>	<u><u>1,516</u></u>

Global Telecom Company Limited (“**Global Telecom**”) is subject to Korea Corporate Income Tax which comprised national and local taxes (collectively “**Korea Corporate Income Tax**”). Korea Corporate Income Tax is charged at the progressive rate from 9.9% to 23.1% (2022: 11% to 24.2%) on the estimated assessable profit of Global Telecom derived worldwide during the year ended 31 December 2023. The Korea Corporate Income Tax rates applicable to Global Telecom for the year ended 31 December 2023 are as follows:

- 9.9% (2022: 11%) on assessable profit up to the first KRW200 million (equivalent to approximately HK\$1.2 million for the year ended 31 December 2023 (2022: KRW200 million (equivalent to approximately HK\$1.2 million)));
- 20.9% (2022: 22%) on assessable profit in excess of KRW200 million (equivalent to approximately HK\$1.2 million) for the year ended 31 December 2023 (2022: KRW200 million (equivalent to approximately HK\$1.2 million)) and up to KRW20 billion (equivalent to approximately HK\$119.8 million) for the year ended 31 December 2023 (2022: KRW20 billion (equivalent to approximately HK\$121.3 million)); and
- 23.1% (2022: 24.2%) on assessable profit in excess of KRW20 billion (equivalent to approximately HK\$119.8 million for the year ended 31 December 2023 (2022: KRW20 billion (equivalent to approximately HK\$121.3 million))).

The Hong Kong subsidiaries are subject to Hong Kong profits tax. Under two-tiered profits tax rates 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 Hong Kong subsidiaries 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.

The income tax (credit)/expense for the Year can be reconciled to the loss before income tax expense in the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss before income tax	<u>(21,040)</u>	<u>(2,453)</u>
Tax thereon at domestic rates applicable to profit or loss in the jurisdictions concerned	(2,009)	420
Tax effect of expenses not deductible for tax purposes	3,204	1,641
Tax effect of revenue not taxable for tax purposes	(21)	–
Tax effect of temporary differences not recognised	(158)	(129)
Tax effect of tax losses not recognised	1,023	317
Utilisation of tax losses previously recognised	–	121
Withholding tax on dividend declared by a subsidiary	–	(186)
<u>Overprovisions</u> in prior years	(3,641)	–
Tax credit	(709)	(916)
Others	<u>385</u>	<u>248</u>
Income tax (credit)/expense for the year	<u><u>(1,926)</u></u>	<u><u>1,516</u></u>

## 10. DIVIDENDS

The Directors do not recommend the payment of a final dividend for the years ended 31 December 2023 and 2022.

## 11. BASIC AND DILUTED EARNINGS PER SHARE

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

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u><u>(16,367)</u></u>	<u><u>(3,346)</u></u>

	2023	2022
	<i>Number '000</i>	<i>Number '000</i>

### Number of shares

Weighted average number of ordinary shares for the purpose of calculating diluted loss per share

<b>492,931</b>	<b>431,891</b>
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The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise price of those share options was higher than the average market price for shares for the year ended 31 December 2023. Diluted loss per share was the same as the basic loss per share for the year ended 31 December 2023.

There were no dilutive potential ordinary shares for the year ended 31 December 2022. Diluted loss per share was the same as the basic loss per share for the year ended 31 December 2022.

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	59,860	122,466
Less: Provision for impairment	<u>(15,551)</u>	<u>(15,176)</u>
Trade and bills receivables, net <i>(note (a))</i>	44,309	107,290
Accrued interest	100	33
Rental and other deposits	9,327	3,587
Other receivables	<u>521</u>	<u>264</u>
<b>Total trade and other receivables <i>(note (b))</i></b>	<b><u>54,257</u></b>	<b><u>111,174</u></b>
<b>Prepayments <i>(note (c))</i></b>		
– Non-current	2,070	685
– Current	<u>4,565</u>	<u>5,273</u>
	<b><u>6,635</u></b>	<b><u>5,958</u></b>

- (a) The credit terms granted by the Group to its trade customers are normally 90 days. Based on the invoice dates, the ageing analysis of the Group's trade and bills receivables, net of impairment provision, is as follows:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 to 90 days	<b>39,117</b>	102,855
91 to 180 days	<b>4,490</b>	2,095
181 to 365 days	<b>311</b>	2,256
1 to 2 years	<b>391</b>	84
	<u><b>44,309</b></u>	<u>107,290</u>

- (b) The Group recognised impairment, if any, of trade and bills receivables and other receivables for the years ended 31 December 2023 and 2022 within the scope of HKFRS 9.
- (c) The prepayments mainly included prepaid costs for maintenance services and cyber security services of the Group which had subcontracted to outsider service providers.

### 13. TRADE AND OTHER PAYABLES

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>48,899</b>	93,318
Accruals and other payables	<b>11,826</b>	14,573
Advance receipts	<b>295</b>	393
Value-added tax payables	<b>6,452</b>	8,371
	<u><b>67,472</b></u>	<u>116,655</u>

Credit periods granted by suppliers normally range from 30 days to 90 days. Based on the invoice dates, the ageing analysis of the trade payables is as follows:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 to 30 days	<b>44,441</b>	79,340
31 to 60 days	<b>2,967</b>	1,941
61 to 90 days	<b>240</b>	1,241
91 to 180 days	<b>695</b>	9,559
181 to 365 days	<b>26</b>	370
Over 1 year	<b>530</b>	867
	<hr/>	<hr/>
	<b>48,899</b>	93,318
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Due to short maturity periods, the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of their fair values.



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Hong Kong's post-pandemic economic recovery was short-lived and softer than expected. With the ongoing challenges posed by the macroeconomic environment, escalating geopolitical conflicts and tensions suggest that Hong Kong's economy will continue to struggle and see dimmer economic outlook in 2024.

	<i>HK\$'000</i>
Opening backlog as at 1 January 2023	161,699
New booking during the Year	523,016
Revenue recognised during the Year	<u>(482,008)</u>
Closing backlog as at 31 December 2023	<u><u>202,707</u></u>

During the Year, the management of the Group has endeavored to widen the Group's business scope to the latest trend of technologies, in relation to digital assets, such as non-fungible token ("NFT"), 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. This youth event covered countries in 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 of shares in Hunter Digital Limited ("**Hunter Digital**") which was announced on 25 July 2023, the Group was able to tap into new business of Digital Assets in the markets of China and Hong Kong.

## PROSPECTS

As above-mentioned, the management of the Group has endeavored to widen the Group's business scope to the latest trend of technologies, in relation of digital assets, therefore, the Group has launched a comprehensive blockchain platform and entered into two non-legally binding letters with strategic partners during the fourth quarter of 31 December 2023 as follows:

- (a) On 27 October 2023, Hunter Digital, one of indirectly non-wholly owned subsidiaries of the Company launched a comprehensive blockchain platform – “FutureChain”, this innovative platform aims to provide users with an unparalleled experience in NFT issuance, security and protection, and cross-chain transfer protocol, bringing limitless potentials with blockchain technology experience. In addition, on the same day (after trading hours), the Group has signed a strategic partnership memorandum with Conflux Hong Kong Management Limited (“**Conflux Network**”) whereby the Group will cooperate with Conflux Network and FutureChain to be launched by the Group will be based on Conflux Network's technologies with high scalability to satisfy the users demands in the future, offering an innovative and one-stop solution that including NFT issuance and cross-chain. Conflux Network, as a secure and stable blockchain foundation, will provide a solid base for the operation of FutureChain. Further details of the above are set out in the Company's announcements dated 27 October 2023.
- (b) On 2 November 2023, the Company entered into a non-legally binding letter of intent (“**LOI**”) with Huaao Technology Holding Group Company Limited (華奧科技控股集團有限公司) (“**Huaao**”) to establish a strategic cooperation to carry out the business in relation to the artificial intelligence computing power integration platform. The entering into of the LOI with Huaao is in line with the Company's strategic plan and needs for business development. Further details of the above are set out in the Company's announcement dated 2 November 2023.

\* *For identification purpose only*

- (c) On 27 December 2023, the Company entered into a non-legally binding LOI with Beijing Shuyue Mingjin Technology Co., Ltd.\* (北京數悅銘金科技有限公司) (“**Beijing Shuyue**”) to establish a strategic cooperation to carry out the business in relation to the data hosting and provision. The Group will cooperate with Beijing Shuyue to strengthen the Group’s data custody platform, with the intention to build and operate Future Data Space Limited within the “Belt and Road” countries and regions, aiming to provide safe and cost-effective data solutions for the “Belt and Road” countries and regions.

Since both the Company and Beijing Shuyue have complementary advantages in the fields of data infrastructure construction and operation, data capitalization and other fields and are confident in the market prospects of the “Belt and Road” data space, they are aiming to work together to promote the flow of data elements in countries and regions along the “Belt and Road”.

With the support of Beijing Shuyue’s PeopleData Open Source Project, the rich software and tools not only can strengthen the Group’s data custody platform, but also can facilitate the Group to further broadening and expanding of the business segment in the field of data custody to those “Belt and Road” markets. The entering into of the LOI with Beijing Shuyue is in line with the Company’s strategic plan and needs for business development. Further details of the above are set out in the Company’s announcements dated 27 December 2023.

Looking forward, the management of the Group is closely monitoring the market conditions and seeking for opportunity to carry out new projects and transactions which could bring economic value and benefit to our shareholders. Accordingly, the Group will continuously ride on its comparative advantage of software, network and system development to further explore and cooperate with appropriate business partners in Asian countries. Besides, we will enhance our ability and knowledge relating to the digital assets for exploring new opportunities as the Group is ready to participate in the rapidly developing digital assets industry in the world.

## **FINANCIAL REVIEW**

### **REVENUE**

Korea and Hong Kong operations were declining during the Year. Business in Korea contributed approximately HK\$453.7 million in revenue for the Year, dropping by approximately HK\$133.7 million or 22.8% compared to approximately HK\$587.4 million in the Previous Year. Business in Hong Kong contributed approximately HK\$28.3 million in revenue for the Year which was approximately HK\$1.9 million or 6.3% lower when compared to approximately HK\$30.2 million in the Previous Year, such decline was primarily due to adverse business and economic conditions which also resulted in the decrease of domestic sales of merchandise.

\* *For identification purpose only*

Revenue from system integration, maintenance services and cyber security services were approximately HK\$301.4 million, HK\$152.4 million and HK\$28.3 million respectively, which accounted for 62.5%, 31.6% and 5.9%, respectively, of the Group's revenue for the Year (2022: 69.2%, 25.9% and 4.9%, respectively).

For the Year, public sector contributed approximately HK\$265.8 million in revenue, which increased by approximately HK\$29.3 million or 12.4%, compared with the Previous Year; while private sector contributed approximately HK\$216.2 million in revenue, which decreased by approximately HK\$165.0 million or 43.3% compared with the Previous Year, which is due to the increase in demand for services from public sector; but the decrease in demand from private sector in Korea.

## **GROSS PROFIT AND GROSS PROFIT MARGIN**

The Group's gross profit increased by approximately HK\$2.0 million or 3.4% from approximately HK\$58.3 million in the Previous Year to approximately HK\$60.3 million for the Year. In terms of gross profit margin, the margin was increased by 3.1% to 12.5% for the Year, such increase was primarily due to better margin noted from the public section and cost control on the overall contract management.

## **OTHER INCOME**

Other income increased by approximately HK\$1.1 million or 40.1% to approximately HK\$4.0 million for the Year, the change was mainly due to the gain on disposal of investment properties and property, plant and equipment.

## **SELLING AND ADMINISTRATIVE EXPENSES**

The Group posted a selling and administrative expenses of approximately HK\$74.0 million for the Year, an increase of approximately 17.4% compared to the amount of approximately HK\$63.1 million in the Previous Year, such increase was mainly attributable to the increase in the employee compensation expenses in result of share option granted during the Year.

## **LOSS BEFORE INCOME TAX**

The Group posted a loss before income tax of approximately HK\$21.0 million for the Year, as compared to HK\$2.5 million for the Previous Year increased by approximately HK\$18.5 million or 740.0%, such increase was primarily due to (i) adverse business and economic conditions which led the sales decline; and (ii) an impairment loss on goodwill and (iii) loss making noted in the operating entity in Hong Kong during the Year.

## **LOSS FOR THE YEAR**

After a receipt of approximately HK\$1.9 million for tax credit, the Group's loss for the year stood at approximately HK\$19.1 million for the Year as compared to a loss of approximately HK\$4.0 million in the Previous Year.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2023, the Group's net current assets of approximately HK\$119.0 million showing a strong liquidity. The liquidity ratio as at 31 December 2023, represented by a ratio of current assets over current liabilities, was 2.4 times (2022: 1.4 times), reflecting the adequacy of financial resources.

The Group expresses its gearing ratio as a percentage of total borrowings (i.e. bank borrowings, loan from shareholders, amounts due to a shareholder and a shareholder of a subsidiary and lease liabilities) over total equity. As at 31 December 2023, the gearing ratio was 6.4% (2022: 50.6%). The decrease was due to repayment of bank borrowings and loans from shareholders. As at 31 December 2023, the Group had no bank borrowings (2022: approximately HK\$41.8 million).

As at 31 December 2023, the Group recorded cash and cash equivalents of approximately HK\$122.7 million (2022: approximately HK\$122.6 million), which included approximately KRW17,191.7 million (equivalents to approximately HK\$103.7 million), HK\$17.9 million, US\$0.14 million (equivalents to approximately HK\$1.1 million) and small amount of Singapore Dollars and Chinese Yuan.

The above reflected that the Group has healthy liquidity and adequate financial resources.

## **OTHER INFORMATION**

### **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2023, the Group had an aggregate of 243 (2022: 254) employees.

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\$93.3 million for the Year (2022: HK\$86.8 million).

### **SHARE OPTION SCHEME**

The Group has adopted a Share Option Scheme (the "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, 16 May 2023 and 5 October 2023, the Company offered to grant a total of 19,200,000 share options, a total of 4,800,000 share options and a total of 5,800,000 share options, respectively, to grantees who are employees and a Director under the Scheme since its adoption. Further details of the above grant of share options are set out in the Company's announcements as dates aforementioned.

## **SIGNIFICANT ACQUISITIONS AND DISPOSALS**

On 25 July 2023, the Group subscribed for 2,081,633 shares in Hunter Digital at HK\$2,081,633, representing approximately 51% of the enlarged issued share capital of Hunter Digital. Hunter Digital was engaged in development of technology in relation to NFT (“**Digital Assets**”) and the distribution of such Digital Assets through their self-developed point of sale system during the year. The acquisition is for the purpose of entering business of these latest trend of technologies in relation to Digital Assets for the potential markets of China and Hong Kong; and widen the Group’s business scope to the latest trend of technologies. The goodwill arising on the business combination of Hunter Digital is attributable to the anticipated new source of income to the Group and future operating segments from the combination.

According to Rule 19.75(1) of the GEM Listing Rules, only the premium will be taken into consideration for the purposes of classification of notifiable transactions. Moreover, all the applicable percentage ratios in respect of the transactions under the subscription of shares are less than 5%, therefore, it is not subject to notification, announcement and Shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules. Further details of the subscription of shares are set out in the Company’s announcements dated 28 April 2023, 18 June 2023 and 25 July 2023.

On 27 September 2023, the Group acquired 90% of the issued share capital of Prosper Long Limited for a consideration of HK\$23,400,000. Prosper Long Limited was engaged in the provision of metaverse and digital asset technology services and solutions that helps its clients to, inter alia, build virtual spaces, venues and properties on the Metaverse platforms and create digital assets such as NFT for event management and marketing purposes, by using the proprietary technologies and applications developed. The acquisition is for the purpose of entering new business of digital assets in the market in Southeast Asia region and China; and to enhance its revenue streams and build up synergies within the Group’s existing businesses. The goodwill arising on the business combination of Prosper Long Limited is attributable to the anticipated new markets opened up to the Group and future operating synergies from the combination.

As none of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the above acquisition of shares is more than 5%, it does not constitute a discloseable transaction on the part of the Company and is not subject to the notification and announcement requirements under the GEM Listing Rules. Further details of the acquisition is set out in the Company’s announcement dated 25 July 2023.

Save for the acquisition disclosed above, we did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the Year.

## **CONTINGENT LIABILITIES**

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

## **CAPITAL COMMITMENT**

As at 31 December 2023, the Group has no outstanding capital commitments (2022: HK\$1.5 million: related to acquisition of properties).

## **DIVIDENDS**

The Board does not recommend the payment of a final dividend for the Year (2022: Nil).

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the Year.

## **CORPORATE GOVERNANCE PRACTICES**

The Board is responsible for performing the corporate governance duties as set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the GEM Listing Rules, which includes developing and reviewing the Company's policies and practices on corporate governance and reviewing the Company's compliance with the code provision in the CG Code and disclosures in this announcement. The Company has complied with the principles and applicable code provisions of the CG Code during the Year.

## **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 throughout the Year.

## **COMPETING BUSINESS**

During the Year and up to the date of this announcement, the Directors are not aware of any business or interest of the Directors, controlling shareholders, the management of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person either directly or indirectly has or may have with the Group.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is a sufficient public float of at least 25% of the Company's issued shares at the Year prior to issue of this announcement under the GEM Listing Rules.

## EVENTS AFTER THE REPORTING PERIOD

On 15 January 2024, the Company resolved to grant a total of 4,800,000 share options under the Scheme to a grantee who is an employee of the Company (the “**Grantee**”), subject to the acceptance by the Grantee. The Grantee is entitled, subject to the terms and conditions of the grant and upon exercise, to subscribe for total of 4,800,000 ordinary shares of the Company (the “**Shares**”) at a price of HK\$0.60 per Share. Further details of the share options are set out in the Company's announcements dated 15 January 2024.

On 24 January 2024, an indirect wholly-owned subsidiary of the Company, Future Data Limited entered into the Sale and Purchase Agreement (the “**Agreement**”) with an independent third party. Pursuant to the Agreement, the Company conditionally agreed to sell 48,000 shares of Maximus Group Consulting Limited, which is a company incorporated under the laws of British Virgin Islands, and has two wholly-owned subsidiaries, namely Maximus Consulting (Hong Kong) Limited and MXC Security (Singapore) Pte Limited, at a consideration of HK\$1,820,000 (the “**Transaction**”).

As none of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Transaction is more than 5%, the Transaction does not constitute a discloseable transaction on the part of the Company and is not subject to the notification and announcement requirements under the GEM Listing Rules.

Save as disclosed above and as of the date of this announcement, there were no other significant events that might affect the Group since 31 December 2023.

## ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “**AGM**”) will be held on 18 June 2024. A notice convening the AGM will be published on the websites of the Stock Exchange and the Company on 29 April 2024.



## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 13 June 2024 to Tuesday, 18 June 2024 (both days inclusive, 4 business days in total) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 12 June 2024.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, RSM Hong Kong, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by RSM Hong Kong on the preliminary announcement.

## **AUDIT COMMITTEE AND REVIEW OF ACCOUNTS**

The Company has established the Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The principal duties of the Audit Committee are, among other things, to review the financial reporting process and internal control system of the Group, review of the Group's financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board. The Audit Committee comprises three members namely Mr. Chan Kin Ming (Chairman), Mr. Lam Chi Cheung Albert and Mr. Leung Louis Ho Ming. All the members are independent non-executive Directors (including one independent non-executive Director who possess the appropriate professional qualifications, accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors. The Audit Committee has reviewed the results of the Group for the Year with no disagreement.

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

Hong Kong, 27 March 2024

*As at the date of this announcement, the executive Directors are Ms. Tao Hongxia, Mr. Lee Seung Han 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](http://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](http://www.futuredatagroup.com).*