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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)

**SHARE TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL
IN THE TARGET
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE**

THE ACQUISITION

The Board is pleased to announce that on 17 April 2024 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target.

The Consideration is HK\$3,000,000 which shall be satisfied by the allotment and issue of the Consideration Shares by the Company. The Consideration Shares, represent (i) approximately 1.31% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.29% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Target is principally engaged in the provision of Type 9 (asset management) regulated activities under the SFO in Hong Kong.

Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATION

As all the applicable percentage ratio (as defined in the GEM Listing Rules) for the Acquisition are less than 5% and that the Consideration will be satisfied by the issue of the Consideration Shares, the Acquisition constitutes a share transaction of the Company and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares shall be allotted and issued under the General Mandate and shall *rank pari passu* with the Shares in issue.

INTRODUCTION

The Board is pleased to announce that on 17 April 2024 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target.

THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are set out below:

1. **Date:** 17 April 2024 (after trading hours of the Stock Exchange)
2. **Parties:** (i) FD Digital Investment Holdings Limited, a direct wholly owned subsidiary of the Company, as the Purchaser; and
(ii) Mr. Cheung Che Kin, as the Vendor

As at the date of this announcement, the Vendor is the sole legal and beneficial owner of the Sale Shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Vendor is an Independent Third Party.

3. **Assets to be acquired**

Subject to the terms and conditions of the Acquisition Agreement, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares. Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company.

The Target is carrying on Type 9 (asset management) regulated activities under the SFO in Hong Kong.

4. Consideration

(a) The Consideration

The Consideration is HK\$3,000,000 which shall be satisfied by the allotment and issue of the Consideration Shares by the Company.

(b) Basis of determination of the Consideration

The Consideration was arrived at after arm's length negotiations between the Parties on normal commercial terms, and taking into account of various factors, amongst others, the SFC licensing status of the Target to carry on Type 9 (asset management) regulated activities, the past operation and business performance of the Target, the Group's assessment of the future prospect of the investment and financial industry in Hong Kong, the net asset value of the Target as stated in its unaudited financial statements as of 31 December 2023 of approximately HK\$1,900,000 and the valuation of the 100% equity interest in the Target as at 31 December 2023 of approximately HK\$3,000,000 as set out in the valuation report (the "**Valuation Report**") prepared by an independent valuer (the "**Valuer**") appointed by the Company using the market approach.

Pursuant to the Valuation Report, the Valuer is of the view that the major assets and liabilities of the Target are the receivables and payables associated with the assets and liabilities business and marketable bank and cash balances, the size of book value indicates the efficiency of fund utilization and investment returns, and thus considered Price-to-Book ratio ("P/B") as the most appropriate and have employed it as the basis of valuation. The Valuer has referred to the latest publicly available annual or interim result of the comparable companies and applied the relevant financial data and selected the mean P/B ratio of 1.5. With reference to the Valuation Report, the Parties have negotiated and agreed the Consideration was arrived by 1.5 times of P/B, that will be approximately HK\$3,000,000.

The Directors (including the independent non-executive Directors) consider the Consideration of the Acquisition is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

(c) The Consideration Shares

Under the Acquisition Agreement, the Consideration will be satisfied by the allotment and issue of the 7,142,858 new Shares by the Company at Completion Date. The Issue Price of the Consideration Shares represents:

- (i) a discount of approximately 17.65% to the closing price of HK\$0.51 per Share as quoted on the Stock Exchange on the date of this announcement;

- (ii) a discount of approximately 15.83% average closing price of HK\$0.499 per Share as quoted on the Stock Exchange for the last 5 consecutive full trading days prior to the date of the Acquisition Agreement; and
- (iii) a discount of approximately 12.13% the average closing price of HK\$0.478 per Share as quoted on the Stock Exchange for the last 10 consecutive full trading days prior to the date of the Acquisition Agreement.

The Directors (including the independent non-executive Directors) consider that the Issue Price is fair and reasonable and in the interests of the Shareholders as a whole. Based on the closing price of HK\$0.51 per Share as quoted on the Stock Exchange on the date of this announcement, the market value of the Consideration Shares as at date of this announcement represents approximately HK\$3,000,000.

As at the date of this announcement, the Company has 546,680,000 Shares and in issue. The Consideration Shares, represent (i) approximately 1.31% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.29% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Under the Acquisition Agreement, there is no restriction on the Vendor to sell or dispose any of the Consideration Shares after their allotment and issue.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares shall be allotted and issued under the General Mandate and shall rank *pari passu* with the Shares in issue.

The Consideration Shares will be allotted and issued pursuant to the General Mandate. As at the date of this announcement, 66,005,000 Shares have been issued under the General Mandate and the maximum number of new Shares that can be issued under the General Mandate is 29,995,000 Shares. As the General Mandate has not been utilized by the Company and therefore no Shareholders' approval is required under the GEM Listing Rules for the allotment and issue of the Consideration Shares.

5. Conditions

Completion of the Acquisition Agreement is subject to and conditional upon, among others, the fulfillment or waiver (as the case may be) of the following Conditions on or before the Long Stop Date or the Extended Long Stop Date (as the case may be):

- (a) the legal, financial, operational and other due diligence on the affairs of the Target being completed and the results thereof being satisfactory to the Purchaser;
- (b) the approval from the SFC for the Purchaser to become the substantial shareholder (as defined in the SFO) of the Target having been obtained;

- (c) all approvals, consents and permissions in connection with the Acquisition Agreement and the transactions contemplated hereunder having been obtained;
- (d) the Vendor having proved that he has a good title to the Sale Shares, free from all Encumbrances;
- (e) (if any) all conditions stipulated and/or imposed by SFC relating to the approval or consent to the Acquisition by the Purchaser of the Sale Shares having been fully fulfilled;
- (f) the Target remaining licensed as a Type 9 licensed corporation under the SFO;
- (g) the Stock Exchange having granted or having agreed to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Consideration Shares;
- (h) all licences, authorisations and approvals of the Target for the conduct of its business remaining valid and effective and not having been revoked or terminated, and no additional conditions, restrictions or suspension have been imposed on any of such licences or any of the regulated activities approved to be conducted by the Target;
- (i) the Purchaser not becoming aware of any of the warranties being untrue or inaccurate in any respects prior to Completion;
- (j) there shall not have occurred any change which is materially adverse to the validity and continuity of the licences, consents and approvals held by the Target;
- (k) the Vendor shall have provided a copy of the audited financial statements of the Target as at 31 December 2023 to the Purchaser; and
- (l) the investment manager agreements where the Target is a party shall remain valid and in full force and effect.

The Purchaser may waive all or any of the Conditions (except Conditions (b) to (h) which are not waivable) at any time by notice in writing to the Vendor.

In the event the approval in Condition (b) is not obtained before 5 p.m. on the Long Stop Date, the Purchaser may, at its sole discretion, by written notice to the Vendor within 5 Business Days on the expiry of the Long Stop Date to extend to the Extended Long Stop Date .

In the event the Conditions are not fulfilled before 5 p.m. on the Long Stop Date and the Purchaser has not given any notice to extend the Long Stop Date to the Extended Long Stop Date or the Conditions are not fulfilled before 5 p.m. on the Extended Long Stop Date (as the case may be), the Acquisition Agreement shall be terminated and the obligations and responsibilities of the Parties under the Acquisition Agreement shall cease and determine, save for those obligations which shall survive after termination as stipulated under the Acquisition Agreement.

6. Completion

Completion shall take place within ten Business Days after the Conditions set out above have been fulfilled to the satisfaction of the Purchaser or waived by it (as the case may be) but subject always that Conditions (b) to (i) shall remain being fulfilled up to and including the Completion Date to the satisfaction of the Purchaser .

If Completion does not take place on the Completion Date as a result of the Vendor failing to comply fully with any of its obligations in relation to delivering or causing to be delivered certain documents on the Completion Date to the Purchaser, the Purchaser may at its option (but without prejudice to any other right or remedy it may have) by notice to the Vendor elect to:–

- (a) proceed to Completion in so far as the Purchaser deems practicable;
- (b) postpone the Completion Date to a date (being a Business Day) falling not more than 10 Business Days after the date set for Completion and the provisions of this Agreement shall apply as if the Completion Date is the date to which Completion is so postponed; or
- (c) terminate the Acquisition Agreement.

Immediately after completion of Acquisition Agreement, the Target will become an indirect wholly-owned subsidiary of the Company and the results of the Target will be consolidated into the financial statements of the Group.

7. Termination

The Acquisition Agreement may be terminated by the Purchaser at any time prior to Completion if:

- (a) the Purchaser becomes aware that any of the warranties set out in the Acquisition Agreement was at the date of the Acquisition Agreement, or has since become, untrue or misleading or has been breached, whether or not such breach is repudiatory, and the Purchaser gives notice to the Vendor that it wishes to terminate;
- (b) the Vendor is in material breach, whether repudiatory or not, of any term of the Acquisition Agreement and the Purchaser gives notice to the Vendor that it wishes to terminate; or
- (c) as mentioned above, the Vendor fails to fully comply with any of its obligation in relation to delivering or causing to be delivered certain documents on the Completion Date to the Purchaser and as a result, Completion does not take place on the Completion Date and the Purchaser gives notice to the Vendor to terminate the Acquisition Agreement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, set out below is a summary of shareholding structure of the Shares (i) as at the date of this announcement; and (ii) immediately after allotment and issue of the Consideration Shares (assuming that there will be no change in the number of issued Shares between the date of this announcement up to the allotment and issue of the Consideration Shares):

Shareholders	As at the date of this announcement		Immediately upon the allotment and issue of the Consideration Shares	
	Number of Shares	%	Number of Shares	%
Gorgeous Real Investment Holding Limited (<i>Notes 2</i>)	192,411,750	35.20	192,411,750	34.74
Variant Wealth Investment Development Limited (<i>Note 3</i>)	50,000,000	9.15	50,000,000	9.03
Mr. Tao Guolin (“Mr. Tao”) (<i>Note 3</i>)	22,917,327	4.19	22,917,327	4.14
The Vendor	—	—	7,142,858	1.29
Public Shareholders	281,350,923	51.46	281,350,923	50.80
Total	<u>546,680,000</u>	<u>100</u>	<u>553,822,858</u>	<u>100</u>

Notes:

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

INFORMATION ON THE PARTIES

(I) The Target

As at the date of this announcement, the Target was 100% owned by the Vendor. The Target is principally engaged in the provision of Type 9 (asset management) regulated activities under the SFO in Hong Kong.

Financial Information of the Target

Set out below is a summary of the key financial data of the Target extracted from the unaudited financial statements of the Target as at 31 December 2023, and the audited financial statements of the Target for the two years ended 31 December 2022 and 31 December 2021 as provided by the Vendor:

	2023	2022	2021
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	(unaudited)	(audited)	(audited)
Revenue	1,682,600	1,000,000	833,000
Loss before taxation	(248,551)	(289,047)	(117,909)
Loss for the year	<u>(248,551)</u>	<u>(289,047)</u>	<u>(117,909)</u>

As at 31 December 2023, the unaudited net asset value of the Target was approximately HK\$1,930,000.

(II) The Vendor

As at the date of this announcement, the Vendor is the registered, legal and beneficial owner of the Sale Shares, the Independent Third Party.

(III) The Purchaser

The Purchaser is a direct wholly-owned subsidiary of the Company and is an investment holding company.

(IV) The Group

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the annual results announcement of the Company of its results for the year ended 31 December 2023, the Group has been actively exploring new business opportunities to the latest trend of technologies, in relation to digital assets, such as non-fungible token, blockchain and metaverse, as part of its business plan to enhance its revenue streams and building synergies with the Group's existing businesses. The Directors have been reviewing the recent market trend and the assets management of the respective digital assets ("**VA Assets Management**") and are of the view that the sector of asset management and the relative businesses are expected to have great potential and can bring long-term benefits to the Group. The VA Assets Management can often leverage advanced technologies, such as blockchain, smart contracts and artificial intelligence which can not only optimize the investment strategies, but also ensure the security and enhance the operational efficiency. The Group plans to use the Target as its initial platform for the start-up on the financial service sector. By tapping the VA Assets Management into the Group's existing business units such as blockchain and metaverse and through the integration of the existing technologies of the Group to the operation of the Target, it will solidify and empower the existing business sectors of the Group and thus enhance more profits and return.

Upon Completion, the Target is expected to continue existing business of asset management and provide support to the Group in the development of the Group's businesses. Based on the above, the Directors are of the view that the terms and conditions of the Acquisition Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As all the applicable percentage ratio (as defined in the GEM Listing Rules) for the Acquisition are less than 5% and that the Consideration will be satisfied by the issue of the Consideration Shares, the Acquisition constitutes a share transaction of the Company and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares shall be allotted and issued under the General Mandate and shall rank pari passu with the Shares in issue.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE ACQUISITION AGREEMENT IS SUBJECT TO THE SATISFACTION OF A NUMBER OF CONDITIONS, AND MAY OR MAY NOT PROCEED, ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of Sale Shares under the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement dated 17 April 2024 entered into between the Parties in relation to the Acquisition
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed commercial banks in Hong Kong are open for general banking business for members of the public in Hong Kong
“Company”	Future Data Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8229)
“Completion”	completion of the Acquisition Agreement
“Completion Date”	the date set for Completion
“Condition(s)”	the condition(s) precedent as set out in the Acquisition Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of the Acquisition in the sum of HK\$3,000,000, which shall be satisfied by issue of the Consideration Shares by the Company
“Consideration Shares”	the new Shares to be issued by the Company to settle the Consideration, being in aggregate 7,142,858 new Shares
“Director(s)”	the directors of the Company
“Encumbrances”	any mortgage, pledge, charge, lien, claims, equities, options, adverse interests, right of first refusal, right of set-off, title retention, assignment by way of security, hypothecation, third party rights or interest whatsoever, power of sale, rights of pre-emption or other encumbrance, priority or security interest or other security arrangement or other rights or interest of whatsoever nature or other security agreement or trust arrangement for the purpose of providing security, and any other agreement or arrangement the effect of which is the creation of a security interest

“Extended Long Stop Date”	3 months from the expiry of the Long Stop Date
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted by the Shareholders to authorise the Directors to issue and allot up to 96,000,000 Shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 9 May 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Third Party(ies)”	party(ies) who is/are independent of and not connected with the Company and any of its connected person(s) within the meaning of the GEM Listing Rules
“Issue Price”	the issue price of approximately HK\$0.42 per Consideration Share
“Long Stop Date”	six months from the date of the Acquisition Agreement
“Parties”	parties to the Acquisition Agreement, being the Vendor and the Purchaser
“PRC”	the People’s Republic of China
“Purchaser”	FD Digital Investment Holdings Limited, a company incorporated in BVI with limited liability, a direct wholly-owned subsidiary of the Company
“Sale Shares”	10,174,687 issued and fully paid up shares of the Target, legally and beneficially owned by the Vendor, which represent the entire issued and fully paid up share capital of the Target
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Vantage Asset Management Limited (優越投資管理有限公司), a company incorporated in Hong Kong with limited liability, the entire issued shares of which are held by the Vendor as at the date of this announcement
“Vendor”	Cheung Che Kin (張志堅), a HK citizen who owns the entire issued share capital of the Target, an Independent Third Party
“%”	per cent

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

Hong Kong, 17 April 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 Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at www.futuredatagroup.com.

* *For identification purposes only*