

FUTURE DATA GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8229)

**ANNOUNCEMENT OF FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG
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FINANCIAL HIGHLIGHTS

For the three months ended 31 March 2020

- Unaudited revenue of the Group was HK\$113.7 million for the three months ended 31 March 2020, representing an increase of approximately HK\$17.7 million or 18.5%, as compared to the three months ended 31 March 2019.
- Unaudited loss after tax was HK\$8.6 million for the three months ended 31 March 2020, representing an increase of approximately HK\$3.7 million or 74.7% from approximately HK\$4.9 million for the three months ended 31 March 2019.
- The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2020 (for the three months ended 31 March 2019: Nil).

QUARTERLY RESULTS

The board of directors (the “**Board**”) of the Company presents the unaudited condensed consolidated results of the Group for the three months ended 31 March 2020, together with comparative figures as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2020

		Three months ended	
		31 March	
		2020	2019
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
		Notes	
Revenue	3	113,730	96,012
Cost of sales and services		<u>(104,138)</u>	<u>(84,638)</u>
Gross profit		9,592	11,374
Other income		374	2,871
Selling and administrative expenses		(18,720)	(18,401)
Finance costs		<u>(270)</u>	<u>(372)</u>
Loss before income tax	4	(9,024)	(4,528)
Income tax credit/(expense)	5	<u>446</u>	<u>(382)</u>
Loss for the period		<u>(8,578)</u>	<u>(4,910)</u>
Attributable to:			
– Owners of the Company		(8,080)	(4,910)
– Non-controlling interests		<u>(498)</u>	<u>–</u>
		<u>(8,578)</u>	<u>(4,910)</u>
Loss per share attributable to owners of the Company			
Basic and Diluted (<i>HK cents</i>)	6	<u>(2.02)</u>	<u>(1.23)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2020

	Three months ended	
	31 March	
	2020	2019
Notes	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period	(8,578)	(4,910)
Other comprehensive income for the period		
Items that will be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(6,186)	(911)
Total comprehensive income for the period	(14,764)	(5,821)
Attributable to:		
– Owners of the Company	(14,266)	(5,821)
– Non-controlling interests	(498)	–
	(14,764)	(5,821)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Attributable to equity holders of the Company								Non-controlling interest	Total equity
	Share capital	Share premium	Capital reserve	Research and development reserve	Foreign exchange reserve	Legal reserve	Retained earnings	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2020 (audited)	4,000	35,718	13,855	3,674	(5,792)	1,995	75,677	129,127	1,021	130,148
Loss for the period	-	-	-	-	-	-	(8,080)	(8,080)	(498)	(8,578)
Exchange difference arising on translation of foreign operations	-	-	-	-	(6,186)	-	-	(6,186)	-	(6,186)
Total comprehensive income	-	-	-	-	(6,186)	-	(8,080)	(14,266)	(498)	(14,764)
Transferred from retained earnings upon declaration of final dividend from a subsidiary	-	-	-	-	-	496	(496)	-	-	-
At 31 March 2020 (unaudited)	<u>4,000</u>	<u>35,718</u>	<u>13,855</u>	<u>3,674</u>	<u>(11,978)</u>	<u>2,491</u>	<u>67,101</u>	<u>114,861</u>	<u>523</u>	<u>115,384</u>
At 1 January 2019 (audited)	4,000	41,598	13,855	3,674	(2,371)	1,995	72,935	135,686	-	135,686
Loss for the period	-	-	-	-	-	-	(4,910)	(4,910)	-	(4,910)
Exchange difference arising on translation of foreign operations	-	-	-	-	(911)	-	-	(911)	-	(911)
Total comprehensive income	-	-	-	-	(911)	-	(4,910)	(5,821)	-	(5,821)
At 31 March 2019 (unaudited)	<u>4,000</u>	<u>41,598</u>	<u>13,855</u>	<u>3,674</u>	<u>(3,282)</u>	<u>1,995</u>	<u>68,025</u>	<u>129,865</u>	<u>-</u>	<u>129,865</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2020

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 principle place of business in Hong Kong is located at Suite 1507-08, 15th Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

The principal places of the Group's business are located at Unit 801-809, 822, Mulla SK V1 Center, 10, Seonyu-ro 9-gil, Yeongdeungpo-gu, Seoul, Korea and at the aforementioned address in Hong Kong.

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\$. 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 months ended 31 March 2020 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 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 months ended 31 March 2020 are consistent with those adopted in the annual financial statements for the year ended 31 December 2019. The condensed consolidated financial statements for the three months ended 31 March 2020 should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

On 1 January 2020, 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.

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 31 March							
	2020				2019			
	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	73,657	34,137	9,193	116,987	62,684	28,911	4,417	96,012
Inter-segment revenue	—	—	(3,257)	(3,257)	—	—	—	—
Revenue from external customers	<u>73,657</u>	<u>34,137</u>	<u>5,936</u>	<u>113,730</u>	<u>62,684</u>	<u>28,911</u>	<u>4,417</u>	<u>96,012</u>
Gross profit/segment results	1,187	6,707	1,698	9,592	2,238	8,916	220	11,374
Other income				374				2,871
Selling and administrative expenses				(18,720)				(18,401)
Finance costs				(270)				(372)
Loss before income tax				(9,024)				(4,528)
Income tax expense				446				(382)
Loss for the period				<u>(8,578)</u>				<u>(4,910)</u>

(b) Geographic information:

	Three months ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Korea	107,794	91,595
Hong Kong	5,936	4,417
Total	113,730	96,012

(c) Revenue analysis:

	Three months ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue from customers and recognised over time:		
– Revenue from system integration services	73,657	62,684
– Revenue from maintenance services	34,137	28,911
– Revenue from cyber security services	5,936	4,417
Total	113,730	96,012

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

	Three months ended 31 March							
	2020				2019			
	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	61,102	31,980	–	93,082	47,040	27,026	–	74,066
– Security	12,555	2,157	5,936	20,648	15,644	1,885	4,417	21,946
Total revenue from contracts with customers	<u>73,657</u>	<u>34,137</u>	<u>5,936</u>	<u>113,730</u>	<u>62,684</u>	<u>28,911</u>	<u>4,417</u>	<u>96,012</u>
Type of customers								
– Public sector	30,637	18,436	–	49,073	13,594	14,611	–	28,205
– Private sector	43,020	15,701	5,936	64,657	49,090	14,300	4,417	67,807
Total revenue from contracts with customers	<u>73,657</u>	<u>34,137</u>	<u>5,936</u>	<u>113,730</u>	<u>62,684</u>	<u>28,911</u>	<u>4,417</u>	<u>96,012</u>
Contract duration								
– Within twelve months	69,186	3,585	4,420	77,191	62,627	26,244	4,417	93,288
– Over twelve months but less than twenty-four months	4,471	25,536	1,086	31,093	57	322	–	379
– Over twenty-four months	–	5,016	430	5,446	–	2,345	–	2,345
Total revenue from contracts with customers	<u>73,657</u>	<u>34,137</u>	<u>5,936</u>	<u>113,730</u>	<u>62,684</u>	<u>28,911</u>	<u>4,417</u>	<u>96,012</u>

4. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended	
	31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Costs of inventories recognised as expenses	82,667	69,418
Employee costs	22,279	21,332
Subcontracting costs	7,573	2,636
Net provision for impairment of trade receivables	717	1,258
Amortisation of intangible assets	1,212	849
Depreciation of property, plant and equipment	737	952
Depreciation of right-of-use assets	622	384
Research and development costs	1,173	717
Interest on lease liabilities	9	—
Short term lease expenses	246	43

5. INCOME TAX (CREDIT)/EXPENSE

	Three months ended	
	31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
– Korea	(184)	330
	(184)	330
Deferred Tax		
– Korea	(315)	6
– Hong Kong	53	46
	(262)	52
Total	(446)	382

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\$1.3 million);
- 22% on assessable profit in excess of KRW200 million (equivalent to approximately HK\$1.3 million) and up to KRW20 billion (equivalent to approximately HK\$128.0 million);
- 24.2% on assessable profit in excess of KRW20 billion (equivalent to approximately HK\$128.0 million).

Subsidiaries operating in Hong Kong are subject to Hong Kong profits tax. Under two-tier profits 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 those entities 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.

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 31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Loss for the period	<u>(8,080)</u>	<u>(4,910)</u>
	Three months ended 31 March	
	2020	2019
	<i>Number'000</i>	<i>Number'000</i>
	(unaudited)	(unaudited)
Weighted average number of ordinary shares	<u>400,000</u>	<u>400,000</u>

Weighted average of 400,000,000 shares for the three months ended 31 March 2020 represents the number of shares in issue throughout the period.

Diluted loss per share were the same as the basic loss per share as the Group had no potential dilutive ordinary shares during the three months ended 31 March 2020 and 2019.

7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2020 (corresponding period in 2019: nil).

8. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF KEY MANAGEMENT

	Three months ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Remuneration of directors and other members of key management	<u>2,043</u>	<u>2,057</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2020

	Three months ended 31 March			
	2020	2019	Change	Change
	HK\$'000	HK\$'000	HK\$'000	%
	(unaudited)	(unaudited)		
Revenue	113,730	96,012	17,718	18.5%
Cost of sales and services	(104,138)	(84,638)	19,500	23.0%
Gross profit	9,592	11,374	(1,782)	(15.7%)
Other income	374	2,871	(2,497)	(87.0%)
Selling and administrative expenses	(18,720)	(18,401)	319	1.7%
Finance costs	(270)	(372)	(102)	(27.4%)
Loss before income tax	(9,024)	(4,528)	4,496	99.3%
Income tax credit/(expenses)	446	(382)	(828)	(216.8%)
Loss for the period	(8,578)	(4,910)	3,668	74.7%

First quarter has always been a period that seasonally records the lowest business activities of the Group. This first quarter of 2020, however, is worse than those in the past, because both of our operating places, namely Korea and Hong Kong, were being locked down due to the current viral pandemic. After China, Korea and Hong Kong was some of the hardest hit regions by Covid-19 in first quarter of 2020.

Under such pressure of economic downturn, we proudly report that the Group's revenue grew by HK\$17.7 million or 18.5% to HK\$113.7 million for the three months ended 31 March 2020, compared to HK\$96.0 million for the three months ended 31 March 2019.

Main contribution to the Group's revenue in the first quarter of 2020 included community media center infrastructure construction service contract amounting to KRW 3.2 billion (HK\$20.9 million) from Community Media Foundation, internal broadcasting production system contract amounting to KRW2.3 billion (HK\$15.0 million) from Industrial Bank of Korea, and first win in 5G mobile network contract from SK Telecom.

The Group's gross profit decreased by approximately HK\$1.8 million or 15.7% from HK\$11.4 million for the three months ended 31 March 2019 to HK\$9.6 million for the three months ended 31 March 2020. The decrease is resulting from unfavorable exchange rate for Korean Won against United States Dollars due to viral pandemic effect and acceptance of low margin projects with strategic customers.

Management team remains its strategy on implementation of cost control, selling and administrative expenses stably stood at HK\$18.7 million for the three months ended 31 March 2020 (for the three months ended 31 March 2019: approximately HK\$18.4 million). This slight increase was attributable to more spending on research and development on software and new technologies suitable for transformation of information technology industry.

Despite achieving a 18.5% increase in revenue and managing its operating expenses very well, the Group suffered a loss before income tax, mainly due to unfavorable exchange rate which caused lower profit margin. After a tax credit of HK\$0.4 million, our loss after tax stood at HK\$8.6 million for the three months ended 31 March 2020.

Liquidity and Financial Resources

As at 31 March 2020, the Group's net current assets were HK\$75.5 million showing a strong liquidity.

The Group expresses its gearing ratio as a percentage of total debt over total equity. As at 31 March 2020, the gearing ratio was 22.4% (as at 31 December 2019: 15.8%). The increase was mainly due to contracted total equity. The liquidity ratio, represented by a ratio of current assets over current liabilities, was 1.8 times (as at 31 December 2019: 1.5 times), reflecting the adequacy of financial resources.

As at 31 March 2020, the Group recorded cash and cash equivalents of approximately HK\$73.8 million (as at 31 December 2019: approximately HK\$116.1 million), which included approximately KRW10,266 million, HK\$1.2 million, US\$0.9 million and small amount of Singapore dollars.

As at 31 March 2020, the Group had variable rate bank borrowings of approximately US\$3.3 million, which was equivalent to approximately HK\$25.9 million (as at 31 December 2019: approximately HK\$20.6 million). Certain banking borrowings are guaranteed by Korea Credit Guarantee Fund which is a public financial institution independent of the Group.

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. During the first three months period of 2020, we experienced an unfavourable foreign exchange movement, and hence, recorded an increase in cost of goods sold.

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

Charges on Group's Assets

As at 31 March 2020, fixed deposits amounting to HK\$3.2 million were pledged to Korea Software Financial Cooperative ("KSFC") for bidding, contract, defect, prepayment and payment guarantees provided by KSFC on behalf of the Group.

Material Investments and Capital Assets

The Group did not have any material investments and capital assets for the three months ended 31 March 2020.

The carrying amount of the Group's unlisted equity securities as at 31 March 2020 accounted for approximately 1.3% of the Group's total assets and is not significant. The unlisted equity securities mainly represent the investment in KSFC (a cooperative established pursuant to the Software Industry Promotion Act with the purpose of promoting the development of the IT industry in Korea) for its membership. Depending on the amount of investment in KSFC, a member of KSFC is granted a certain amount of guarantee limit by KSFC for use in its operation.

The Group did not have any plan for material investments or capital asset as at 31 March 2020 as well.

Significant Acquisitions and Disposals

For the three months ended 31 March 2020, the Group had not made any significant acquisition or disposal.

Contingent Liabilities

As at 31 March 2020, the Group did not have any significant contingent liabilities.

Business Review

Set out below are the details of the movement of the number of system integration projects up to 31 March 2020.

Number of projects at 1 January 2020	47
Number of new projects awarded	181
Number of projects completed during period	<u>(146)</u>
Number of projects as at 31 March 2020	<u><u>82</u></u>

System integration business segment has been growing during the reporting period from which generated a revenue of HK\$73.7 million for the three months ended 31 March 2020, recorded an increase by HK\$11.0 million or 17.5% compared to same corresponding period in last year. The increase was attributable to deployment of few sizable projects in our Korea operation. Revenue generated from maintenance services segment has increased by HK\$5.2 million from HK\$28.9 million for the three months ended 31 March 2019 to HK\$34.1 million for the three months ended 31 March 2020, resulting from the increase in number of maintenance contracts.

In spite of economy cracked under Covid-19 outbreak in Hong Kong, cyber security segment has recorded a considerable increase in revenue during the reporting period. Comparing to HK\$4.4 million for the three months ended 31 March 2019, revenue from this segment increased by HK\$1.5 million or 34.4% to HK\$5.9 million for the three months ended 31 March 2020, showing continuing growth since our acquisition of subsidiaries made last year.

Prospects

We are excited about the first contract win in 5G mobile network. Having experience in 5G mobile network business, we gain advantageous position on relevant projects opportunities. In addition, global epidemic boosts the development of data network adoption in social distancing and comprehensive cyber security protection for online activities. These factors bring a bright future to our business. Even so, the Group will remain prudent in cost controls against current uncertainties.

Employees and Remuneration Policy

As at 31 March 2020, the Group had an aggregate of 225 (31 March 2019: 186) employees. Such increase represented the recruitment of more engineers to support sizable projects in Korea.

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\$22.3 million for the three months ended 31 March 2020 (for the three months ended 31 March 2019: approximately HK\$21.3 million).

The Group has adopted a share option scheme for the purpose of providing incentives and rewards to eligible persons who contributed to the success of the Group's operation. Up to 31 March 2020, no share option had been granted.

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.

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 31 March 2020, 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 <i>(Note 4)</i>
Mr. Phung Nhuong Giang <i>(Notes 1,2 and 3)</i> (“ Mr. Phung ”)	Interest held jointly with other persons/Interest in controlled corporation/Interest of spouse	262,917,327	65.73%
Mr. Suh Seung Hyun <i>(Notes 1 and 2)</i> (“ Mr. Suh ”)	Interest held jointly with other persons/Interest in controlled corporation	262,917,327	65.73%
Mr. Lee Seung Han <i>(Notes 1 and 2)</i> (“ Mr. Lee ”)	Interest held jointly with other persons/Interest in controlled corporation	262,917,327	65.73%

Notes:

- (1) LiquidTech Limited (“**LiquidTech**”) held 262,917,327 Shares, representing 65.73% of the issued Shares. LiquidTech is wholly owned by Asia Media Systems Pte. Ltd. (“**AMS**”) which is owned by Mr. Phung, Mr. Suh, Mr. Lee, Mr. Park Hyeoung Jin (“**Mr. Park**”), Mr. Lee Sung Gue, Mr. Lee Je Eun and Ms. Marilyn Tang as to 26.14%, 25.34%, 14.71%, 14.03%, 14.03%, 3.40% and 2.35% respectively.
- (2) On 21 June 2016, four of the ultimate controlling shareholders of the Company, namely, Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park, entered into the acting in concert confirmation and undertaking to acknowledge and confirm, among other things, that they were parties acting in concert of each of the members of the Group. As such, Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park together control approximately 65.73% interest in the share capital of the Company through AMS and LiquidTech. As a result, each of Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park is deemed to be interested in approximately 65.73% interest in the share capital of the Company.
- (3) Ms. Marilyn Tang is the owner of approximately 2.35% of the issued shares of AMS and the spouse of Mr. Phung. Mr. Phung is deemed to be interested in all the Shares in which Ms. Marilyn Tang 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 31 March 2020 (i.e. 400,000,000 Shares).

Save as disclosed above, as at 31 March 2020, 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 31 March 2020, 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 8)
LiquidTech ^(Note 1)	Beneficial owner	262,917,327	65.73%
AMS ^(Notes 1, 2 and 3)	Interest in controlled corporation	262,917,327	65.73%
Mr. Park ^(Notes 2 and 3)	Interest held jointly with other persons/Interest in controlled corporation	262,917,327	65.73%
Ms. Marilyn Tang ^(Notes 2, 3 and 4)	Interest held jointly with other persons/Interest in controlled corporation/Interest of spouse	262,917,327	65.73%
Ms. Lee Kim Sinae ^(Note 5)	Interest of spouse	262,917,327	65.73%
Ms. Suh Kim Seong Ock ^(Note 6)	Interest of spouse	262,917,327	65.73%
Ms. Shin Hee Kum ^(Note 7)	Interest of spouse	262,917,327	65.73%

Notes:

- (1) LiquidTech is wholly-owned by AMS. AMS is deemed to be interested in all the Shares in which LiquidTech is interested under Part XV of the SFO.
- (2) AMS is owned as to approximately 26.14% by Mr. Phung, 25.34% by Mr. Suh, 14.71% by Mr. Lee, 14.03% by Mr. Park, 14.03% by Mr. Lee Sung Gue, 3.40% by Mr. Lee Je Eun and 2.35% by Ms. Marilyn Tang.
- (3) On 21 June 2016, four of the ultimate controlling shareholders of the Company, namely, Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park, entered into the acting in concert confirmation and undertaking to acknowledge and confirm, among other things, that they were parties acting in concert of each of the members of the Group. As such, Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park together control approximately 65.73% interest in the share capital of the Company through AMS and LiquidTech. As a result, each of Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park is deemed to be interested in approximately 65.73% interest in the share capital of the Company.
- (4) Ms. Marilyn Tang is the owner of approximately 2.35% of the issued shares of AMS and the spouse of Mr. Phung. Ms. Marilyn Tang is deemed to be interested in all the Shares in which Mr. Phung is interested under Part XV of the SFO.
- (5) Ms. Lee Kim Sinae is the spouse of Mr. Lee. Ms. Lee Kim Sinae is deemed to be interested in all the Shares in which Mr. Lee is interested under Part XV of the SFO.
- (6) Ms. Suh Kim Seong Ock is the spouse of Mr. Suh. Ms. Suh Kim Seong Ock is deemed to be interested in all the Shares in which Mr. Suh is interested under Part XV of the SFO.
- (7) Ms. Shin Hee Kum is the spouse of Mr. Park. Ms. Shin Hee Kum is deemed to be interested in all the Shares in which Mr. Park is interested under Part XV of the SFO.
- (8) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 March 2020 (i.e. 400,000,000 Shares).

Save as disclosed above, as at 31 March 2020, 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.

SHARE OPTION SCHEME

The Company has a share option scheme (the “**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. No share option has been granted under the Share Option Scheme since its adoption.

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 three months ended 31 March 2020.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the three months ended 31 March 2020, 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 and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the “**CG Code**”) and 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 three months ended 31 March 2020.

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 three months ended 31 March 2020.

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 C.3 of the CG Code. For the three months ended 31 March 2020, the Audit Committee consists of three independent non-executive Directors namely, Mr. Wong Sik Kei, Mr. Yung Kai Tai and Mr. Sum Chun Ho. Mr. Sum Chun Ho 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 and internal control systems and the internal audit 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 has reviewed the unaudited quarterly results of the Company for the three months ended 31 March 2020.

By order of the Board
Future Data Group Limited
Suh Seung Hyun
Chairman

Hong Kong, 8 May 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Suh Seung Hyun, Mr. Phung Nhuong Giang, Mr. Lee Seung Han and Mr. Ryoo Seong Ryul; and the independent non-executive Directors of the Company are Mr. Wong Sik Kei, Mr. Sum Chun Ho and Mr. Yung Kai Tai.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company’s website at www.futuredatagroup.com.