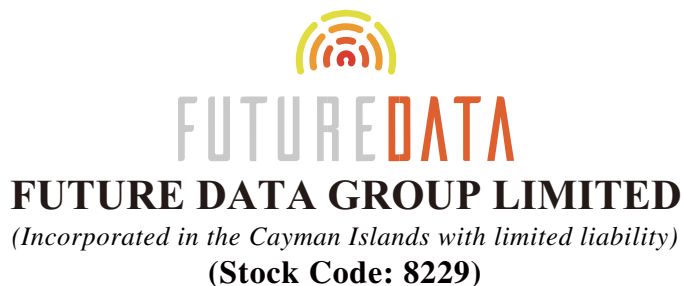


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FURTHER REALLOCATION AND CHANGE IN USE OF PROCEEDS

References are made to the prospectus dated 29 June 2016 issued by the Company in relation to the Placing and the Listing, and the Announcement of the Company dated 4 September 2017 in relation to, among other things, the change in use of proceeds from the Placing and the annual report of the Company for the year ended 31 December 2020.

USE OF PROCEEDS AS CHANGED PURSUANT TO THE ANNOUNCEMENT

The actual net proceeds from the Placing, after deducting the underwriting commission and other expenses in connection with the Placing, amounted to approximately HK\$33.3 million (the **"IPO Proceeds"**). The original planned use of the proceeds was disclosed in the paragraph headed "Reasons for the Placing and the Use of Proceeds" under the section headed "Business Objectives and Future Plans" in the Prospectus. As set out in the Announcement, the Group adjusted the intended use and allocation of the then unutilised IPO Proceeds of approximately HK\$31.6 million on 4 September 2017 as follows:

- approximately HK\$15.4 million for development of the Group's big data platform and cybersecurity software application capabilities, among which (i) approximately HK\$5.0 million for acquisition of a big data platform intellectual property for cybersecurity; (ii) approximately HK\$7.0 million for acquiring a cybersecurity software application; and (iii) approximately HK\$3.4 million for recruiting a team of security experts in Hong Kong;
- approximately HK\$12.9 million for setting up additional service points in the cities of Busan, Jeonju and Gangneung in Korea, for costs comprising initial rental deposit, renovation, furniture and fixture costs, and cost for additional testing and maintenance equipment;
- approximately HK\$1.8 million as set up cost for an office in Hong Kong; and

- approximately HK\$1.5 million as general working capital.

As at the date of this announcement, the Group had utilised approximately HK\$17.6 million of the then unutilised IPO Proceeds, and the remaining balance of the unutilised IPO Proceeds amounted to approximately HK\$14.0 million (the “**Latest Unutilised IPO Proceeds**”). Set out below are the details of the amount of the IPO Proceeds utilised and the Latest Unutilised IPO Proceeds as at the date of this announcement:

	Revised IPO Proceeds allocation as at the date of the Announcement (HK\$ million) approximately	Utilised IPO Proceeds up to the date of this announcement (HK\$ million) approximately	Latest Unutilised IPO Proceeds as at the date of this announcement (HK\$ million) approximately
Setting up new service points in the cities of Busan, Jeonju and Gangneung in Korea	12.9	–	12.9
Setting up office in Hong Kong	1.8	0.8	1.0
Development of big data platform and cybersecurity software application capabilities			
– acquiring a big data platform intellectual property for cybersecurity	5.0	4.9	0.1
– acquiring a cybersecurity software application	7.0	7.0	–
– recruiting a team of security experts in Hong Kong	3.4	3.4	–
General working capital	1.5	1.5	–
Total:	<u>31.6</u>	<u>17.6</u>	<u>14.0</u>

FURTHER REALLOCATION AND CHANGE IN USE OF PROCEEDS

As shown in the above table summarising the use of the IPO Proceeds as at the date of this announcement, the Latest Unutilised IPO Proceeds amounted to approximately HK\$14.0 million, of which (i) approximately HK\$12.9 million which has been designated for setting up additional service points in the cities of Busan, Jeonju and Gangneung in Korea; (ii) approximately HK\$1.0 million which has been designated for setting up an office in Hong Kong; and (iii) approximately HK\$0.1 million which has been designated for acquiring a big data platform intellectual property for cybersecurity remained unutilised.

For reasons set out in the section below headed “Reasons for and Benefits of the Further Reallocation and Change in Use of Proceeds” of this announcement, the Board has resolved and approved to further reallocate and change the intended use and allocation of the Latest Unutilised IPO Proceeds such that the full amount of the Latest Unutilised IPO Proceeds of approximately HK\$14.0 million will be utilised for the setting up and/or acquisition of additional service points in the cities of Busan, Jeonju and Gangneung in Korea and other Asian countries, including but not limited to the PRC, Singapore and/or Vietnam. The Latest Unutilised IPO Proceeds are expected to be utilised in the next twelve months.

Save for the changes above, there are no other changes in the use of the IPO Proceeds.

REASONS FOR AND BENEFITS OF THE FURTHER REALLOCATION AND CHANGE IN USE OF PROCEEDS

The Group is principally 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.

As disclosed in the Prospectus and the Annual Report, it has always been one of the Group’s business strategies to expand its market share by increasing service points. Having considered the successful business expansion of the Group to Hong Kong, the Directors are confident to further expand its business outside Korea to other Asian countries. The Group has been exploring business opportunities to set up and/or acquire service points in other Asian countries, including but not limited to the PRC, Singapore and/or Vietnam, with the view to broadening the customer base of the Group. The Directors believe that the expansion of service points to other Asian countries would provide a good business opportunity to the Group, and be in the interests of the Group and the Shareholders as a whole.

In addition, since the initial set up of the office in Hong Kong had been completed in 2017 and the acquisition of the big data platform intellectual property for cybersecurity was completed in June 2019, the Directors consider that no further capital expenditure would be required for such intended uses as at the date of this announcement, and the reallocation of the Latest Unutilised IPO Proceeds would enable the Group to better allocate its resources for expanding its market share by increasing service points in Korea and other Asian countries, which is in line with the Group’s business strategies and the actual needs for the operational development of the Group.

The Directors are of the view that the use of the IPO Proceeds shall be appropriately adjusted to better adapt and cope with the current market conditions and economic environment. The Board considers the reallocation and change in use of the Latest Unutilised IPO Proceeds would be more in line with the current business needs of the Group and would enable the Group to deploy its financial resources in a more efficient and effective manner. As at the date of this announcement, the Directors confirm that there is no material change in the nature of business of the Group. The Directors consider that the further reallocation and change in the use

of the IPO Proceeds is in the best interests of the Company and the Shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meaning:

“Announcement”	announcement of the Company dated 4 September 2017 in relation to, among other things, the change in allocation of the use of proceeds from the Placing
“Annual Report”	annual report of the Company for the year ended 31 December 2020
“Board”	board of Directors
“Company”	Future Data Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8229)
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Korea”	the Republic of Korea
“Listing”	listing of the Shares on GEM
“Placing”	conditional placing of 100,000,000 Shares by the underwriters on behalf of the Company for cash at the Placing Price
“Placing Price”	HK\$0.58 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%)

“Placing Share(s)”	the Share(s) offered for subscription at the Placing Price pursuant to the Placing
“PRC”	People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	prospectus of the Company dated 29 June 2016 in relation to, among other things, the Placing and the Listing
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 6 August 2021

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

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 GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.futuredatagroup.com.