

2017 FIRST QUARTERLY REPORT

ARCHITECT OF FUTURE CITIES



FUTURE DATA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8229

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Future Data Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

"ARCHITECT OF FUTURE CITIES"

Foundations of tomorrow's smart cities are being built today. Through integrated solutions of cloud computing, security and network connectivity, we connect people, creating data transport networks that push business and social development.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Suh Seung Hyun
Mr. Phung Nhuong Giang
Mr. Lee Seung Han
Mr. Ryoo Seong Ryul

Independent non-executive Directors

Mr. Ho Kam Shing, Peter
Mr. Sum Chun Ho
Mr. Wong Sik Kei

BOARD COMMITTEES

Audit committee

Mr. Sum Chun Ho (*Chairman*)
Mr. Ho Kam Shing, Peter
Mr. Wong Sik Kei

Remuneration committee

Mr. Wong Sik Kei (*Chairman*)
Mr. Phung Nhuong Giang
Mr. Ho Kam Shing, Peter

Nomination committee

Mr. Ho Kam Shing, Peter (*Chairman*)
Mr. Phung Nhuong Giang
Mr. Wong Sik Kei

COMPLIANCE OFFICER

Mr. Lee Seung Han

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN KOREA

14/F-15/F, Deokmyeong Building
Samseong-dong
625, Teheran-ro
Gangnam-gu
Seoul
Korea

COMPANY SECRETARY

Ms. Ngai Kit Fong

AUTHORISED REPRESENTATIVES

Mr. Phung Nhuong Giang
Ms. Ngai Kit Fong

AUDITORS

BDO Limited
Certified Public Accountants
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

COMPLIANCE ADVISER

Shenwan Hongyuan Capital (H.K.) Limited
Level 19
28 Hennessy Road
Hong Kong

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong law:

Michael Li & Co.
Solicitors, Hong Kong
19/F, Prosperity Tower
39 Queen's Road Central
Central, Hong Kong

As to Korean law:

Shin & Kim
Attorneys-at-law, Korea
8/F, State Tower Namsan
100 Toegye-ro, Jung-gu
Seoul, 04631, Korea

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1002, 10/F
Tung Wai Commercial Building
No. 109-111 Gloucester Road
Wan Chai, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANK

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

COMPANY WEBSITE ADDRESS

www.futuredatagroup.com

STOCK CODE

8229

Financial Highlights

For the three months ended 31 March 2017

- The unaudited revenue of the Group for the three months ended 31 March 2017 was HK\$90.8 million representing an increase of approximately HK\$1.3 million, or 1.5%, as compared to the three months ended 31 March 2016.
- The unaudited profit after tax for the three months ended 31 March 2017 was HK\$0.3 million, as compared to the loss after tax of approximately HK\$2.0 million for the three months ended 31 March 2016.
- Unaudited basic earnings per share for the three months ended 31 March 2017 was 0.09 HK cents (three months ended 31 March 2016: basic loss per share of 0.68 HK cents).
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2017 (corresponding period in 2016: nil).

Quarterly Results

The board of directors (the "Board") of Future Data Group Limited (the "Company") presents the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 31 March 2017, together with the comparative figures.

Condensed Consolidated Statements of Comprehensive Income

For the three months ended 31 March 2017

	Note	Three months ended 31 March	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue	3	90,842	89,502
Cost of sales		(77,653)	(72,600)
Gross profit		13,189	16,902
Other income		1,691	613
Selling and administrative expenses		(14,254)	(13,873)
Listing expenses		–	(4,899)
Finance costs		(88)	(68)
Profit /(Loss) before income tax	4	538	(1,325)
Income tax expense	5	(190)	(722)
Profit/(Loss) for the period attributable to owners of the Company		348	(2,047)
Other comprehensive income for the period			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		2,802	2,275
Total comprehensive income for the period attributable to owners of the Company		3,150	228
Earnings/(Loss) per share			
Basic and Diluted (HK cents)	6	0.09	(0.68)

Condensed Consolidated Statements of Changes in Equity

For the three months ended 31 March 2017

	Share capital	Share premium	Capital reserve	Investment revaluation reserve	Research and Development reserve	Foreign Exchange reserve	Legal reserve	Retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2017 (audited)	4,000	46,198	13,855	501	3,674	(9,804)	1,530	65,454	125,408
Profit for the period	-	-	-	-	-	-	-	348	348
Exchange difference arising on translation of foreign operations	-	-	-	-	-	2,802	-	-	2,802
At 31 March 2017 (unaudited)	4,000	46,198	13,855	501	3,674	(7,002)	1,530	65,802	128,558
At 1 January 2016 (audited)	3,684	-	-	-	3,674	(7,338)	1,530	62,803	64,353
Loss for the period	-	-	-	-	-	-	-	(2,047)	(2,047)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	2,275	-	-	2,275
At 31 March 2016 (unaudited)	3,684	-	-	-	3,674	(5,063)	1,530	60,756	64,581

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 the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 8 July 2016 ("Listing Date"). The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business in Hong Kong is located at Unit 1002, 10/F, Tung Wai Commercial Building, No. 109-111 Gloucester Road, Wan Chai, Hong Kong.

The head office and principal place of the Group's business in Korea is located at 14th – 15th Floor, Deokmyeong Building, Samseong-dong, 625, Teheran-ro, Gangnam-gu, Seoul, Korea.

The principal activity of the Company is investment holding. The Group is engaged in the provision of (i) integration of systems with network connectivity, cloud computing and security elements and (ii) maintenance service (the "Business").

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the three months ended 31 March 2017 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 Rules (the "GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 31 March 2017 are consistent with those adopted in the annual financial statements for the year ended 31 December 2016. The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

The functional currency of the Company's principal operating subsidiary, Global Telecom Company Limited ("Global Telecom") is South Korean Won ("KRW"), while the unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"). As the Company's shares (the "Shares") are listed on the GEM of the Stock Exchange, the directors consider that it is more appropriate to adopt HK\$ as the Group's presentation currency.

On 1 January 2017, the Group has adopted all the new and revised HKFRS, amendments and interpretations that are effective from that date and are relevant to its operations. The adoption of these new/revised HKFRS, amendments and interpretations does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 31 March 2017

3. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company (the "Executive Directors") are the Group's chief operating decision-makers. Management has determined the operating segments based on the information reviewed by the Executive Directors for the purposes of allocating resources and assessing performance. The Executive Directors review the performance of the Group mainly from the service perspective. The Group is organised into two segments engaged in:

- (i) system integration; and
- (ii) maintenance service

The Executive Directors assess the performance of the operating segments based on a measure of gross profit of each segment, which is consistent with that of the condensed consolidated financial statements. The revenue reported to the Executive Directors is measured in a manner consistent with that in the condensed consolidated statement of comprehensive income.

	Three months ended 31 March					
	2017			2016		
	System Integration	Maintenance service	Total	System Integration	Maintenance service	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Total segment revenue	72,985	17,857	90,842	71,846	17,656	89,502
Gross profit/segment results	10,074	3,115	13,189	10,040	6,862	16,902
Other income			1,691			613
Selling and administrative expenses			(14,254)			(13,873)
Listing expenses			-			(4,899)
Finance costs			(88)			(68)
Profit/(Loss) before income tax			538			(1,325)
Income tax expense			(190)			(722)
Profit/(Loss) for the period			348			(2,047)

Revenue by geographical market

	Three months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Korea	90,004	89,502
Others	838	-
	90,842	89,502

4. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging:

	Three months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Carrying amount of inventories sold	69,560	47,246
Provisions for impairment of inventories	–	–
Costs of inventories recognised as expenses	69,560	47,246
Employee costs	14,122	16,222
Subcontracting costs	4,755	9,018
Listing expenses	–	4,899
Depreciation of property, plant and equipment	947	989
Research and development costs	643	559
Minimum lease payments in respect of rented premises	431	396

5. INCOME TAX EXPENSE

	Three months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax	52	1,010
Deferred Tax	138	(288)
Total	190	722

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% to 24.2% on the estimated assessable profit of Global Telecom derived worldwide during each of the periods presented. No Hong Kong Profits Tax has been provided as Future Data Limited ("Future Data") which was incorporated in October 2015 did not have assessable profits which are subject to Hong Kong Profits Tax during the three months ended 31 March 2017.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 31 March 2017

6. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share is based on the profit for the period from 1 January 2017 to 31 March 2017 attributable to owners of the Company and on the basis that 400,000,000 ordinary shares had been in issue throughout the period from 1 January 2017 to 31 March 2017.

The calculation of basic loss per share is based on the loss for the period from 1 January 2016 to 31 March 2016 attributable to owners of the Company and on the basis that 300,000,000 ordinary shares had been in issue throughout the period from 1 January 2016 to 31 March 2016.

Diluted earnings/(loss) per share were the same as the basic earnings/(loss) per share as the Group had no potential dilutive ordinary shares.

7. DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 31 March 2017 (corresponding period in 2016: nil).

Financial review

During the three months ended 31 March 2017, the Group recorded a revenue of HK\$ 90.8 million which represents the increase by 1.5% as compared to the same period of last year. This result is commendable given the political turmoil surrounding the presidential scandal in Korea and escalation of north-south conflict.

The Group's gross profit decreased by approximately 21.9%, from HK\$16.9 million for the three months ended 31 March 2016 to HK\$13.2 million for the three months ended 31 March 2017. The main reason for such decrease is attributable to the increase of the cost of inventories recognised as expenses.

Selling and administrative expenses for the three months ended 31 March 2017 was approximately HK\$14.3 million, (31 March 2016: approximately HK\$13.9 million)

representing an increase of HK\$0.4 million or 2.9% which was mainly attributable to the increases in professional and other costs in relation to the compliance with the GEM Listing Rules.

Profit after tax of the Group increased by approximately HK\$2.4 million from the loss of approximately HK\$2.0 million for the three months ended 31 March 2016 to the profit of approximately HK\$0.3 million for the three months ended 31 March 2017. Excluding the non-recurring listing expenses, the net profit after tax for the three months ended 31 March 2016 would have been HK\$2.9 million, which was HK\$2.5 million more than that of 2017 (no listing expense was incurred for the three months ended 31 March 2017).

Business Review

Set out below are the details of the movement of the number of system integration projects up to 31 March 2017.

Number of projects at 1 January 2017	32
Number of new projects awarded during period	150
Number of projects completed during period	(114)
Number of projects as at 31 March 2017	68

Management Discussion and Analysis

The segment profit of system integration increased by approximately 0.3% from HK\$10.0 million for the three months ended 31 March 2016 to HK\$10.1 million for the three months ended 31 March 2017. Such increase was in line with the increase in the revenue of system integration. On the other hand, the segment profit of maintenance service decreased by approximately 55.1% from HK\$6.9 million for the three months ended 31 March 2016 to HK\$3.1 million for the three months ended 31 March 2017. Such decrease was due to the increase in the cost of inventories recognised as expenses.

Contingent Liabilities

As at 31 March 2017 and 31 March 2016, the Group did not have any significant contingent liabilities.

Prospects

The Group is expected to experience a tougher operational environment in the future as the impact of the political turmoil of the presidential scandal in Korea, which could have a further adverse impact on the local economy. The Group is currently exploring opportunities develop its businesses outside Korea through plans such as potential acquisition in location including Hong Kong and Vietnam in order to strengthen its revenue base and maximise shareholder's return.

Foreign Exchange Exposure

The Group's exposures to currency risk mainly arise from the currency difference between our revenue receipts (which are denominated in KRW) and some of our payments for purchases (which are denominated 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 in KRW against US\$ between the costing date and the relevant settlement date. In view of the relatively limited size of each individual US\$ denominated purchase transaction, we do not find it, on a cost and benefit analysis, justifiable to enter into foreign exchange hedging transaction for each of such purchases, and as a result, we decided the timing of purchasing US\$ to settle such purchases at our discretion.

Events after the Balance sheet date

There is no significant event subsequent to 31 March 2017 which would materially affect the Group's operating and financial performance.

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 2017, 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 SFO) held by the Directors

and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules are as follows:

Long Positions in the Shares

Name of Director	Capacity/Nature of interest	Number of shares held	Approximate percentage of issued share capital ^(Note 4)
Mr. Phung Nhuong Giang ^(Notes 1, 2 and 3) ("Mr. Phung")	Interest held jointly with other persons/ Interest in controlled corporation/ Interest of spouse	262,917,327	65.73%
Mr. Suh Seung Hyun ^(Notes 1 and 2) ("Mr. Suh")	Interest held jointly with other persons/ Interest in controlled corporation	262,917,327	65.73%
Mr. Lee Seung Han ^(Notes 1 and 2) ("Mr. Lee")	Interest held jointly with other persons/ Interest in controlled corporation	262,917,327	65.73%
Mr. Park Hyeoung Jin ^(Notes 1 and 2) ("Mr. Park")	Interest held jointly with other persons/ Interest in controlled corporation	262,917,327	65.73%

Note:

- (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, 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 2017 (i.e. 400,000,000 Shares).

Corporate Governance and Other Information

Save as disclosed above, as at 31 March 2017, 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 2017, 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 11)
LiquidTech ^(Note 1)	Beneficial owner	262,917,327	65.73%
AMS ^(Notes 1 and 2)	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%
Epro Capital Inc. ^(Note 8) ("Epro Capital")	Beneficial owner	27,270,000	6.82%
Epro Group International Limited ^(Note 8) ("Epro Group")	Interest in controlled corporation	27,270,000	6.82%
Merry Silver Limited ^(Note 9)	Interest in controlled corporation	27,270,000	6.82%
Mr. Wong Wai Hon Telly ^(Note 10) ("Mr. Telly Wong")	Interest in controlled corporation	27,270,000	6.82%
Mr. Ling Chiu Yum ^(Note 10) ("Mr. Ling")	Interest in controlled corporation	27,270,000	6.82%

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) Epro Capital is wholly-owned by Epro Group. Epro Group is deemed to be interested in the Shares in which Epro Capital is interested under Part XV of the SFO.
- (9) Epro Group is wholly-owned by Merry Silver Limited. Merry Silver Limited is deemed to be interested in the Shares in which Epro Group is interested under Part XV of the SFO.
- (10) Merry Silver Limited is owned as to 50% by Mr. Telly Wong and 50% by Mr. Ling. Each of Mr. Telly Wong and Mr. Ling is deemed to be interested in the Shares in which Merry Silver Limited is interested under Part XV of the SFO.
- (11) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 March 2017 (i.e. 400,000,000 Shares).

Save as disclosed above, as at 31 March 2017, 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 2017.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the three months ended 31 March 2017, 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 and Other Information

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 2017.

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 2017.

INTERESTS OF THE COMPLIANCE ADVISER

As at the date of this report, neither Shenwan Hongyuan Capital (H.K.) Limited, the compliance adviser of the Company, nor any of its directors, employees or close

associates has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

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 2017, the Audit Committee consisted of three independent non-executive directors namely, Mr. Wong Sik Kei, Mr. Ho Kam Shing Peter and Mr. Sum Chun Ho. Mr. Sum Chun Ho possesses the appropriate professional accounting qualification and serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed the unaudited quarterly results for the three months ended 31 March 2017.

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

Hong Kong, 10 May 2017