



FUTURE DATA

FUTURE DATA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8229

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GEM has been positioned as a market designed to accommodate small and mid-sized 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.

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This report, for which the directors (the “Directors”) of Future Data Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries. 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.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Suh Seung Hyun (*Chairman*)

Mr. Phung Nhuong Giang
(*Deputy Chairman*)

Mr. Lee Seung Han
(*Chief Executive Officer*)

Mr. Ryoo Seong Ryul

Independent Non-executive Directors

Mr. Wong Sik Kei

Mr. Sum Chun Ho

Mr. Yung Kai Tai

BOARD COMMITTEES

Audit Committee

Mr. Sum Chun Ho (*Chairman*)

Mr. Wong Sik Kei

Mr. Yung Kai Tai

Remuneration Committee

Mr. Wong Sik Kei (*Chairman*)

Mr. Phung Nhuong Giang

Mr. Yung Kai Tai

Nomination Committee

Mr. Yung Kai Tai (*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. Chan Suet Lam

AUTHORISED REPRESENTATIVES

Mr. Phung Nhuong Giang

Ms. Chan Suet Lam

AUDITOR

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

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Hong Kong

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong law:

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Solicitors, Hong Kong
19/F, Prosperity Tower
39 Queen's Road Central
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As to Korean law:

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Attorneys-at-law, Korea
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Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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338 King's Road
North Point, 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 nine months ended 30 September 2018

- Unaudited revenue of the Group was HK\$323 million for the nine months ended 30 September 2018, representing an increase of approximately HK\$29 million or 9.7%, as compared to the nine months ended 30 September 2017.
- Unaudited profit after tax was approximately HK\$1.7 million for the nine months ended 30 September 2018, representing a decrease of approximately HK\$2.5 million or 60%, as compared to unaudited profit after tax of approximately HK\$4.2 million for the nine months ended 30 September 2017.
- Unaudited basic earnings per share was 0.42 HK cents for the nine months ended 30 September 2018, as compared to unaudited basic earnings per share of 1.04 HK cents for the nine months ended 30 September 2017.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2018 (nine months ended 30 September 2017: 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 and nine months ended 30 September 2018, together with comparative figures as follows.

Condensed Consolidated Statement of Comprehensive Income

For the three and nine months ended 30 September 2018

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	3	119,656	97,607	323,060	294,451
Cost of sales and services		(100,736)	(79,476)	(264,609)	(245,356)
Gross profit		18,920	18,131	58,451	49,095
Other (expense)/income - net		(497)	378	840	2,103
Selling and administrative expenses		(15,903)	(15,472)	(55,375)	(44,403)
Finance costs		(293)	(109)	(783)	(371)
Profit before income tax	4	2,227	2,928	3,133	6,424
Income tax expense	5	(765)	(792)	(1,454)	(2,264)
Profit for the period		1,462	2,136	1,679	4,160
Other comprehensive income for the period					
<i>Item that will be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		388	173	(4,026)	823
Total other comprehensive income/ (loss)		388	173	(4,026)	823
Total comprehensive income/(loss) for the period		1,850	2,309	(2,347)	4,983
Earnings per share					
Basic and Diluted (HK cents)	6	0.37	0.53	0.42	1.04

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2018

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Investment revaluation reserve HK\$'000	Research and development reserve HK\$'000	Foreign exchange reserve HK\$'000	Legal reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 January 2018 (audited)	4,000	41,598	13,855	532	3,674	2,979	1,995	69,573	138,206
Profit for the period	-	-	-	-	-	-	-	1,679	1,679
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(4,026)	-	-	(4,026)
At 30 September 2018 (unaudited)	4,000	41,598	13,855	532	3,674	(1,047)	1,995	71,252	135,859
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	-	-	-	-	-	-	-	4,160	4,160
Exchange differences arising on translation of foreign operations	-	-	-	-	-	823	-	-	823
At 30 September 2017 (unaudited)	4,000	46,198	13,855	501	3,674	(8,981)	1,530	69,614	130,391

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2018

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 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 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 14th – 15th Floor, Deokmyeong Building, Samseong-dong, 625, Teheran-ro, Gangnam-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 and (ii) maintenance services in Korea and Hong Kong.

The functional currencies of the Company's principal operating subsidiaries, Global Telecom Company Limited ("Global Telecom") and Future Data Limited ("Future Data"), are South Korean Won ("KRW"), and Hong Kong Dollars ("HK\$") respectively, while the unaudited 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 is more appropriate to adopt HK\$ as the Group's presentation currency.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2018 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 30 September 2018 are consistent with those adopted in the annual financial statements for the year ended 31 December 2017. The unaudited condensed consolidated financial statements for the nine months ended 30 September 2018 should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

On 1 January 2018, 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 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 Condensed Consolidated Financial Statements

For the nine months ended 30 September 2018

3. REVENUE AND SEGMENT INFORMATION

The Group's business is organised into two segments:

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

The segment information is presented as follows:

(a) Business segment:

	Three months ended 30 September					
	2018			2017		
	System integration	Maintenance services	Total	System integration	Maintenance services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total segment revenue	82,305	37,351	119,656	76,793	20,814	97,607
Gross profit/segment results	7,667	11,253	18,920	12,397	5,734	18,131
Other (expenses)/income – net			(497)			378
Selling and administrative expenses			(15,903)			(15,472)
Finance costs			(293)			(109)
Profit before income tax			2,227			2,928
Income tax expense			(765)			(792)
Profit for the period			1,462			2,136

	Nine months ended 30 September					
	2018			2017		
	System integration	Maintenance services	Total	System integration	Maintenance services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total segment revenue	223,835	99,225	323,060	235,296	59,155	294,451
Gross profit/segment results	24,628	33,823	58,451	35,274	13,821	49,095
Other income – net			840			2,103
Selling and administrative expenses			(55,375)			(44,403)
Finance costs			(783)			(371)
Profit before income tax			3,133			6,424
Income tax expense			(1,454)			(2,264)
Profit for the period			1,679			4,160

(b) Geographical information:

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Korea	112,843	94,587	302,826	290,593
Hong Kong	6,813	3,020	20,234	3,858
Total	119,656	97,607	323,060	294,451

(c) Revenue analysis:

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
System integration:				
– Revenue from system integration services	82,305	73,773	223,835	231,438
– Revenue from sales of software license	–	3,020	–	3,858
	82,305	76,793	223,835	235,296
Maintenance services:				
– Revenue from system maintenance services	30,538	20,814	78,991	59,155
– Revenue from cyber security services	6,813	–	20,234	–
	37,351	20,814	99,225	59,155
Total	119,656	97,607	323,060	294,451

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2018

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

	Three months ended 30 September					
	2018			2017		
	System integration	Maintenance services	Total	System integration	Maintenance services	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Type of goods or services						
- Cloud infrastructure	62,750	22,889	85,639	52,360	17,744	70,104
- Security	19,555	14,462	34,017	21,413	3,070	24,483
- Software licence	-	-	-	3,020	-	3,020
Total revenue from contracts with customers	82,305	37,351	119,656	76,793	20,814	97,607
Type of customers						
- Public sector	20,124	18,284	38,408	14,228	8,979	23,207
- Private sector	62,181	19,067	81,248	62,565	11,835	74,400
Total revenue from contracts with customers	82,305	37,351	119,656	76,793	20,814	97,607
Type of contract duration						
- Within twelve months	77,806	30,143	107,949	65,723	16,825	82,548
- Over twelve months but less than twenty-four months	4,422	3,149	7,571	5,588	543	6,131
- Over twenty-four months	77	4,059	4,136	5,482	3,446	8,928
Total revenue from contracts with customers	82,305	37,351	119,656	76,793	20,814	97,607

	Nine months ended 30 September					
	2018			2017		
	System integration	Maintenance services	Total	System integration	Maintenance services	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Type of goods or services						
- Cloud infrastructure	153,102	64,592	217,694	162,314	51,693	214,007
- Security	70,733	34,633	105,366	69,124	7,462	76,586
- Software license	-	-	-	3,858	-	3,858
Total revenue from contracts with customers	223,835	99,225	323,060	235,296	59,155	294,451
Type of customers						
- Public sector	45,169	41,451	86,620	70,793	26,121	96,914
- Private sector	178,666	57,774	236,440	164,503	33,034	197,537
Total revenue from contracts with customers	223,835	99,225	323,060	235,296	59,155	294,451
Type of contract duration						
- Within twelve months	219,169	86,088	305,257	179,662	51,426	231,088
- Over twelve months but less than twenty-four months	4,422	4,093	8,515	12,363	1,242	13,605
- Over twenty-four months	244	9,044	9,288	43,271	6,487	49,758
Total revenue from contracts with customers	223,835	99,225	323,060	235,296	59,155	294,451

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2018

4. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Costs of inventories recognised as expenses	81,734	66,616	224,556	204,221
Employee costs	17,545	15,248	58,692	44,634
Subcontracting costs	2,432	4,075	8,411	15,205
Agency commission	–	–	3,000	–
Depreciation of property, plant and equipment	978	1,065	3,008	3,248
Research and development costs	699	706	2,143	2,067
Amortisation of intangible assets	763	594	2,150	594
Minimum lease payments in respect of rented premises	469	531	1,513	1,575

5. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax				
– Korea	670	500	1,012	1,665
	670	500	1,012	1,665
Deferred tax				
– Korea	(15)	292	304	599
– Hong Kong	110	–	138	–
	95	292	442	599
Total	765	792	1,454	2,264

Our Korean subsidiary is subject to Korean Corporate Income Tax which comprised national and local taxes. Korean Corporate Income Tax, including local income tax, is charged at the progressive rate from 11.0% to 24.2% on the estimated assessable profit of our Korean subsidiary during each of the periods presented.

Our Hong Kong subsidiary is subject to Hong Kong Profits Tax. From 1 April 2018 onwards, the two-tiered profits tax rates regime is implemented. For the nine months ended 30 September 2018, the first HK\$2 million of assessable profits will be subject to the tax rate of 8.25% and assessable profits above that amount will continue to be subject to the tax rate of 16.5%. For the nine months ended 30 September 2017, the assessable profits of our Hong Kong subsidiary were subject to the flat rate of 16.5%.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit of approximately HK\$1.7 million for nine months ended 30 September 2018 (for the nine months ended 30 September 2017: profit of approximately HK\$4.2 million) attributable to owners of the Company and on the basis that 400,000,000 (for the nine months ended 30 September 2017: 400,000,000) ordinary shares had been in issue during the period.

Diluted earnings per share were the same as the basic earnings per share as the Group had no potential dilutive ordinary shares during the periods.

7. DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2018 (corresponding period in 2017: nil).

8. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF KEY MANAGEMENT

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Remuneration of directors and other members of key management	2,174	1,994	6,331	6,079

Management Discussion and Analysis

Financial Review

The Group recorded a revenue of approximately HK\$323 million for the nine months ended 30 September 2018, representing an increase of approximately HK\$29 million or 9.7% compared to the same period of last year. The increase in revenue was mainly due to the cyber security business in Hong Kong which has contributed a revenue of approximately HK\$20 million to the Group. During the period, Global Telecom recorded a revenue of approximately HK\$303 million, representing a slight increase of HK\$12 million or 4.2% compared to the revenue of approximately HK\$291 million for the nine months ended 30 September 2017.

The Group's gross profit was increased by approximately 19%, from HK\$49 million for the nine months ended 30 September 2017 to HK\$58 million for the nine months ended 30 September 2018. The increase of gross profit was attributable to high margin cyber security business from Hong Kong operation.

Selling and administrative expenses were approximately HK\$55 million for the nine months ended 30 September 2018, representing an increase of HK\$11 million or 25% when compared to selling and administrative expenses of approximately HK\$44 million for the nine months ended 30 September 2017.

The Group recorded a profit attributable to owners of the Company of approximately HK\$1.7 million for the nine months ended 30 September 2018, representing a decrease of approximately HK\$2.5 million or 60% when compared to the same period of last year. The decrease was attributable to higher selling and administrative expenses in which included an agency commission of HK\$3 million for exploring the business in Hong Kong and amortisation of intangible assets of HK\$1.8 million.

Liquidity and Financial Resources

As at 30 September 2018, the Group's net current assets were HK\$103 million showing a strong liquidity.

The Group expresses its gearing ratio as a percentage of total debt over total equity. As at 30 September 2018, the gearing ratio was 18% (as at 31 December 2017: 12%). The increase was mainly due to additional unsecured bank borrowings of approximately HK\$8.4 million. The liquidity ratio, represented by a ratio of current assets over current liabilities, was 2.3 times (as at 31 December 2017: 1.6 times), reflecting the adequacy of financial resources.

As at 30 September 2018, the Group recorded cash and cash equivalents of approximately HK\$67 million (as at 31 December 2017: approximately HK\$141 million), which included approximately KRW8,000 million, HK\$2.7 million and US\$0.9 million.

As at 30 September 2018, the Group had variable rate bank borrowings of approximately US\$3.2 million, which was equivalent to approximately HK\$25 million (as at 31 December 2017: approximately HK\$17 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 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 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 beneficial and 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 own discretion.

Charge of Group's Assets

As at 30 September 2018, fixed deposits amounting to HK\$3.5 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 nine months ended 30 September 2018.

The carrying amount of the Group's unlisted equity securities as at 30 September 2018 accounted for approximately 1.3% of the Group's total assets and was not significant. The unlisted equity securities mainly represented 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 material acquisition of capital asset as at 30 September 2018 as well.

Significant Acquisitions and Disposals

For the nine months ended 30 September 2018, the Group had not made any significant acquisition or disposal.

Contingent Liabilities

As at 30 September 2018, the Group did not have any significant contingent liabilities.

Management Discussion and Analysis

Business Review

Set out below are the details of the movement of the number of system integration projects and segmentation information up to 30 September 2018.

Number of projects at 1 January 2018	31
Number of new projects awarded	586
Number of projects completed during period	(546)
Number of projects as at 30 September 2018	71

Revenue of system integration segment decreased by approximately 4.9% from HK\$235 million for the nine months ended 30 September 2017 to HK\$224 million for the nine months ended 30 September 2018. Such decrease was mainly due to our management selection of quality deals where we are positive to collect monies from the projects as soon as they are ended. On the other hand, the segment revenue of maintenance services increased by approximately HK\$40 million or 68% from HK\$59 million for the nine months ended 30 September 2017 to HK\$99 million for the nine months ended 30 September 2018. Such increase was due to the commencement of cyber security business in Hong Kong's subsidiary from September 2017 and addition of maintenance services agreements in our Korea subsidiary during the period.

Prospects

Along with the peaceful announcement made at the summit in September 2018 between the two Korea leaders, we are looking for new business opportunities in Korean peninsula, particularly in North Korea. We believe that the diversification of business development in North Korea may further strengthen our position in the system integration industry in Korea, which is consistent with our current

business strategies. The Directors will regularly review the situation so as to plan the best business strategy to fit for dynamic business environment.

Employees and Remuneration Policy

As at 30 September 2018, the Group had an aggregate of 159 employees which was comparable to 157 employees as at 30 September 2017.

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 staff costs, including Directors' emoluments, amounted to approximately HK\$59 million for the nine months ended 30 September 2018 (for the nine months ended 30 September 2017: approximately HK\$45 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 30 September 2018, no share option had been granted.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2018, 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 ^(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%

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 30 September 2018 (i.e. 400,000,000 Shares).

Corporate Governance and Other Information

Save as disclosed above, as at 30 September 2018, 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 30 September 2018, 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 30 September 2018 (i.e. 400,000,000 Shares).

Save as disclosed above, as at 30 September 2018, 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 nine months ended 30 September 2018.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the nine months ended 30 September 2018, 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 nine months ended 30 September 2018.

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 nine months ended 30 September 2018.

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. 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 primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of our Group's internal audit function, financial reporting process, internal control and risk management systems, and to oversee the audit process. The Audit Committee had reviewed the unaudited quarterly results for the nine months ended 30 September 2018.

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

Hong Kong, 2 November 2018