

**2019**  
FIRST  
QUARTERLY  
REPORT



**FUTURE DATA**

**FUTURE DATA GROUP LIMITED**

(Incorporated in the Cayman Islands with limited liability)  
STOCK CODE: 8229

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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.

Given that companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 (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 (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “Group”). 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  
(*Chief Financial Officer*)

#### 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

## 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  
23/F, D-Tower (D2)  
17 Jongno 3-gil,  
Jongno-gu,  
Seoul 03155  
Korea

## REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Two Chinachem Exchange Square  
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](http://www.futuredatagroup.com)

## STOCK CODE

8229

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## Financial Highlights

For the three months ended 31 March 2019

- Unaudited revenue of the Group was HK\$96.0 million for the three months ended 31 March 2019, representing a decrease of approximately HK\$6.3 million or 6.2%, as compared to the three months ended 31 March 2018.
- Unaudited loss after tax was HK\$4.9 million for the three months ended 31 March 2019, as compared to the unaudited loss after tax of approximately HK\$1.2 million for the three months ended 31 March 2018.
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2019 (three months ended 31 March 2018: Nil).

## Quarterly Results

The board of directors (the "Board") of the Company presents the condensed consolidated results of the Company and its subsidiaries for the three months ended 31 March 2019, together with the comparative figures as follows.

### Condensed Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2019

	Notes	Three months ended 31 March	
		2019	2018
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	96,012	102,343
Cost of sales and services		(84,638)	(82,916)
<b>Gross profit</b>		<b>11,374</b>	<b>19,427</b>
Other income, net		2,871	1,074
Selling and administrative expenses		(18,401)	(21,244)
Finance costs		(372)	(189)
<b>Loss before income tax</b>	4	<b>(4,528)</b>	<b>(932)</b>
Income tax expense	5	(382)	(249)
<b>Loss for the period</b>		<b>(4,910)</b>	<b>(1,181)</b>
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		(911)	715
Total other comprehensive income		(911)	715
<b>Total comprehensive income for the period</b>		<b>(5,821)</b>	<b>(466)</b>
<b>Loss per share</b>			
Basic and Diluted (HK cents)	6	(1.23)	(0.30)

# Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2019

	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 2019 (audited)	4,000	41,598	13,855	-	3,674	(2,371)	1,995	72,935	135,686
Initial application of HKFRS 16	-	-	-	-	-	-	-	(70)	(70)
Restated balance at 1 January 2019	4,000	41,598	13,855	-	3,674	(2,371)	1,995	72,865	135,616
Loss for the period	-	-	-	-	-	-	-	(4,910)	(4,910)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(911)	-	-	(911)
At 31 March 2019 (unaudited)	4,000	41,598	13,855	-	3,674	(3,282)	1,995	67,955	129,795
At 1 January 2018 (audited)	4,000	41,598	13,855	532	3,674	2,979	1,995	69,573	138,206
Initial application of HKFRS 9	-	-	-	(532)	-	-	-	(1,151)	(1,683)
Restated balance at 1 January 2018	4,000	41,598	13,855	-	3,674	2,979	1,995	68,422	136,523
Loss for the period	-	-	-	-	-	-	-	(1,181)	(1,181)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	715	-	-	715
At 31 March 2018 (unaudited)	4,000	41,598	13,855	-	3,674	3,694	1,995	67,241	136,057



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# Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2019

## 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 principal place of business in Hong Kong is located at Suite 1507-08, 15/F, 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, (ii) maintenance services and (iii) cyber security services in Korea and Hong Kong.

The functional currency 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 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 condensed consolidated financial statements for the three months ended 31 March 2019 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 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 2019 are consistent with those adopted in the annual financial statements for the year ended 31 December 2018. The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

# Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2019

On 1 January 2019, 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. Except for the adoption of HKFRS 16, the adoption of other new/revised HKFRSs, amendments and interpretations has no material effect on the results reported for the current or prior period.

The Group has applied HKFRS 16 using the modified retrospective approach. The cumulative effect of initial application will be recognised as an adjustment to the opening of equity as at 1 January 2019 and will not restate the comparative information.

The following table summarise the impact of adopting HKFRS16 on the balance as at 1 January 2019 and 31 December 2018 of the Group's consolidated statement of financial position.

At 31 December 2018	As previously reported HK\$'000	Adjustments HK\$'000	As restated HK\$'000
Property, plant and equipment	6,858	1,790	8,648
Others	343,171	–	343,171
Total assets	350,029	1,790	351,819
Trade and other payables	180,721	1,860	182,581
Others	33,622	–	33,622
Total liabilities	214,343	1,860	216,203
Retained earnings	72,935	(70)	72,865
Others	62,751	–	62,751
Total equity	135,686	(70)	135,616

### 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 segment:**

	Three months ended 31 March							
	2019				2018			
	System integration	Maintenance services	Cyber security services	Total	System integration	Maintenance services	Cyber security services	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Total segment revenue	62,684	28,911	4,417	96,012	75,918	19,862	6,563	102,343
Gross profit/segment results	2,238	8,916	220	11,374	9,010	6,033	4,384	19,427
Other income, net				2,871				1,074
Selling and administrative expenses				(18,401)				(21,244)
Finance costs				(372)				(189)
Loss before income tax				(4,528)				(932)
Income tax expense				(382)				(249)
Loss for the period				(4,910)				(1,181)

(b) **Geographical information:**

	Three months ended 31 March	
	2019	2018
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Korea	91,595	95,780
Hong Kong	4,417	6,563
	96,012	102,343

(c) **Revenue analysis:**

An analysis of Group's revenue is as follows:

	Three months ended 31 March	
	2019	2018
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
System integration:		
– Revenue from system integration services	62,684	75,918
Maintenance services:		
– Revenue from maintenance services	28,911	19,862
Cyber security services:		
– Revenue from cyber security services	4,417	6,563
	96,012	102,343

# Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2019

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

	Three months ended 31 March							
	2019				2018			
	System integration	Maintenance services	Cyber security services	Total	System integration	Maintenance services	Cyber security services	Total
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Types of goods or services								
- Cloud infrastructure	47,040	27,026	-	74,066	46,501	17,039	-	63,540
- Security	15,644	1,885	4,417	21,946	29,417	2,823	6,563	38,803
Total revenue from contracts with customers	62,684	28,911	4,417	96,012	75,918	19,862	6,563	102,343
Types of customers								
- Public sector	13,594	14,611	-	28,205	14,094	7,792	-	21,886
- Private sector	49,090	14,300	4,417	67,807	61,824	12,070	6,563	80,457
Total revenue from contracts with customers	62,684	28,911	4,417	96,012	75,918	19,862	6,563	102,343
Types of contract duration								
- Within twelve months	62,627	26,244	4,417	93,288	75,837	17,370	6,563	99,770
- Over twelve months but less than twenty-four months	57	322	-	379	-	538	-	538
- Over twenty-four months	-	2,345	-	2,345	81	1,954	-	2,035
Total revenue from contracts with customers	62,684	28,911	4,417	96,012	75,918	19,862	6,563	102,343

## 4. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 31 March	
	2019	2018
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Costs of inventories recognised as expenses	69,418	71,511
Employee costs	21,332	20,386
Subcontracting costs	2,636	1,731
Agency commission	-	3,000
Amortisation of intangible assets	849	673
Depreciation of property, plant and equipment	952	1,001
Research and development costs	717	694
Depreciation of right-of-use assets	384	-
Operating lease payments in respect of rented premises	43	523

## 5. INCOME TAX EXPENSE

	Three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
– Korea	330	407
	330	407
Deferred tax		
– Korea	6	(158)
– Hong Kong	46	–
	52	(158)
Total	382	249

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\$1.4 million);
- 22% on assessable profit in excess of KRW200 million (equivalent to approximately HK\$1.4 million) and up to KRW20 billion (equivalent to approximately HK\$139.4 million);
- 24.2% on assessable profit in excess of KRW20 billion (equivalent to approximately HK\$139.4 million).

Future Data is subject to Hong Kong profits tax. Hong Kong profits tax is calculated at two-tiered rates on the estimated assessable profits arising in Hong Kong.

- 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profits over HK\$2 million.

# Notes to the Condensed Consolidated Financial Statements

For the three months ended 31 March 2019

## 6. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data.

	Three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period	(4,910)	(1,181)

	Three months ended 31 March	
	2019	2018
	Number'000	Number'000
	(unaudited)	(unaudited)
Weighted average number of ordinary shares	400,000	400,000

Weighted average of 400,000,000 shares for the three months ended 31 March 2019 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 2019 and 2018.

## 7. DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 31 March 2019 (corresponding period in 2018: Nil).

## 8. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF KEY MANAGEMENT

	Three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Remuneration of directors and other member of key management	2,057	2,095

## Financial review

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

	Three months ended 31 March		Change HK\$'000	Change %
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)		
Revenue	96,012	102,343	(6,331)	(6.2%)
Cost of sales and services	(84,638)	(82,916)	1,722	2.1%
Gross profit	11,374	19,427	(8,053)	(41.5%)
Other income, net	2,871	1,074	1,797	167.3%
Selling and administrative expenses	(18,401)	(21,244)	(2,843)	(13.4%)
Finance costs	(372)	(189)	183	96.8%
Loss before income tax	(4,528)	(932)	3,596	385.8%
Income tax expense	(382)	(249)	133	53.4%
Loss for the period	(4,910)	(1,181)	3,729	315.7%

During the three months ended 31 March 2019, the Group recorded a revenue of HK\$96.0 million which represented a decrease by 6.2% as compared to the same period of last year. The decrease in revenue was attributable to contract value of projects being completed were relatively smaller during the period.

The Group's gross profit decreased by approximately 41.5%, from HK\$19.4 million for the three months ended 31 March 2018 to HK\$11.4 million for the three months ended 31 March 2019 due to an investment of new technology deployment in a Korea virtual bank that has negative impact on the current quarter but positive profit contribution in the remainder of this year.

Selling and administrative expenses for the three months ended 31 March 2019 was approximately HK\$18.4 million, (three months ended 31 March 2018: approximately HK\$21.2 million), representing a decrease by HK\$2.8 million or 13.4% as compared to the same period of last year. The decrease was mainly attributable to no agency commission incurred during the period.

Loss after tax of the Group increased by approximately HK\$3.7 million or 315.7% as compared to the same period of last year which was mainly due to the narrow down of gross margin as discussed above.

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## Management Discussion and Analysis

### Liquidity and Financial Resources

As at 31 March 2019, the Group's net current assets were HK\$97.5 million showing a strong liquidity.

The Group expresses its gearing ratio as a percentage of total debt over total equity. As at 31 March 2019, the gearing ratio was 28.9% (as at 31 December 2018: 17.1%). The increase was mainly due to additional unsecured bank borrowings of approximately HK\$14.3 million. The liquidity ratio, represented by a ratio of current assets over current liabilities, was 2.1 times (as at 31 December 2018: 1.5 times), reflecting the adequacy of financial resources.

As at 31 March 2019, the Group had cash and cash equivalents of approximately HK\$72.2 million (as at 31 December 2018: approximately HK\$136.1 million), which included approximately KRW9,815 million, in United States Dollars ("US\$") 0.5 million, and HK\$0.5 million.

As at 31 March 2019, the Group had bank borrowings bearing variable interest rates of approximately US\$4.8 million, which was equivalent to approximately HK\$37.5 million (as at 31 December 2018: approximately HK\$23.2 million).

### Foreign Exchange Exposure

The Group's business in Korea 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 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.

The Group's Hong Kong operations revenue was denominated in HK\$ and the cost of sales was denominated in HK\$. There is no significant currency risk arising from Hong Kong operations.

### Charge of Group's Assets

As at 31 March 2019, 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 as at 31 March 2019.

The carrying amount of the Group's unlisted equity securities as at 31 March 2019 accounted for approximately 1.4% 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.

Future Data entered into the Share Purchase and Subscription Agreement on 2 April 2019 in relation to the sale and purchase of the sale shares and the subscription of the new shares of Maximus Group Consulting Limited ("Target Company"). Future Data shall pay a total consideration of HK\$12 million at maximum to acquire 64.86% of shareholding in the Target Company. The details of this transaction were disclosed in the Company's announcement dated 2 April 2019.

### Significant Acquisitions and Disposals

For the three months ended 31 March 2019, the Group had not made any significant acquisition or disposal.

### Contingent Liabilities

As at 31 March 2019, 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 2019.

Number of projects at 1 January 2019	47
Number of new projects awarded during period	218
Number of projects completed during period	(176)
Number of projects as at 31 March 2019	89

System integration business was slow down in the first quarter in 2019 as similar to last year. For the three months ended 31 March 2019, the revenue generated from this segment was HK\$62.7 million representing 65.3% of the Group's revenue, decreased by 8.9% compared to the same corresponding period in last year. Conversely, maintenance services contributed more revenue to the Group

for the three months ended 31 March 2019 amounting to HK\$28.9 million, representing 30.1% of the Group's revenue. The continuous increase in revenue from maintenance services segment was attributable to growing recognition on good quality services from our customers. As a result, the revenue from this segment increased by HK\$9.0 million or 45.6% for the three months ended 31 March 2019.

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## Management Discussion and Analysis

The cyber security services segment was separately disclosed as a new segment of the Group because the management team considered cyber security business will expand even faster. In order to serve the higher demand for cyber security services, the Group allocated their resources on building up some enhancements. Hence, the revenue decreased by HK\$2.1 million for the three months ended 31 March 2019.

### Prospects

Our system integration business is the largest contributor to the Group revenue and relative stable. We expect improvement in earnings for this segment over the next few quarters. In addition, our maintenance services business segment is also contributing stable income and expecting this to continue during the rest of this financial year. We see growth in cyber security services segment and have entered into a Share Purchase and Subscription Agreement as announced on 2 April 2019, to acquire customer base and deepen penetration into this market. Together, the Group shall achieve another profitable year in 2019, barring any unforeseen circumstances.

### Employees and Remuneration Policy

As at 31 March 2019, the Group had an aggregate of 186 employees which was higher than 157 employees as at 31 March 2018.

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\$21.3 million for the three months ended 31 March 2019 (for the three months ended 31 March 2018: HK\$20.4 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 2019, 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 31 March 2019, 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 Future 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 <sup>(Note 4)</sup>
Mr. Phung Nhung Giang <sup>(Notes 1, 2 and 3)</sup> ("Mr. Phung")	Interest held jointly with other persons/ Interest in controlled corporation/ Interest of spouse	262,917,327	65.73%
Mr. Suh Seung Hyun <sup>(Notes 1 and 2)</sup> ("Mr. Suh")	Interest held jointly with other persons/ Interest in controlled corporation	262,917,327	65.73%
Mr. Lee Seung Han <sup>(Notes 1 and 2)</sup> ("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 2019 (i.e. 400,000,000 Shares).

## Corporate Governance and Other Information

Save as disclosed above, as at 31 March 2019, 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 2019, 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 <sup>(Note 8)</sup>
LiquidTech <sup>(Note 1)</sup>	Beneficial owner	262,917,327	65.73%
AMS <sup>(Notes 1,2 and 3)</sup>	Interest in controlled corporation	262,917,327	65.73%
Mr. Park <sup>(Notes 2 and 3)</sup>	Interest held jointly with other persons/ Interest in controlled corporation	262,917,327	65.73%
Ms. Marilyn Tang <sup>(Notes 2, 3 and 4)</sup>	Interest held jointly with other persons/ Interest in controlled corporation/ Interest of spouse	262,917,327	65.73%
Ms. Lee Kim Sinae <sup>(Note 5)</sup>	Interest of spouse	262,917,327	65.73%
Ms. Suh Kim Seong Ock <sup>(Note 6)</sup>	Interest of spouse	262,917,327	65.73%
Ms. Shin Hee Kum <sup>(Note 7)</sup>	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 2019 (i.e. 400,000,000 Shares).

Save as disclosed above, as at 31 March 2019, 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 2019.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

During the three months ended 31 March 2019, 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 2019.

### **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 2019.

### **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 2019, the Audit Committee consisted of three independent non-executive directors namely, Mr. Wong Sik Kei, Mr. Sum Chun Ho and Mr. Yung Kai Tai. 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 internal audit function, financial reporting process, internal control and risk management systems, 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 2019.

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

Hong Kong, 8 May 2019

*As at the date of this report, 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.*