



FUTURE DATA

FUTURE DATA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 8229

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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 the 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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*)

Mr. Tao Guolin

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. Sum Chun Ho

Mr. Yung Kai Tai

Nomination Committee

Mr. Yung Kai Tai (*Chairman*)

Mr. Sum Chun Ho

Mr. Wong Sik Kei

COMPLIANCE OFFICER

Mr. Lee Seung Han

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN KOREA

Unit 801–809, 822
Mullae SK V1 Center
10, Seonyu-ro 9-gil
Yeongdeungpo-gu
Seoul
Korea

COMPANY SECRETARY

Ms. Cheung Yuet Fan

AUTHORISED REPRESENTATIVES

Mr. Phung Nhuong Giang

Ms. Cheung Yuet Fan

AUDITOR

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

COMPLIANCE ADVISER

Giraffe Capital Limited
3/F, 8 Wyndham Street
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)
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Jongno-gu
Seoul 03155
Korea

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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P.O. Box 2681
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KY1-1111
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 54, 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 2021

- Unaudited revenue of the Group was HK\$483.5 million for the nine months ended 30 September 2021, representing an increase of HK\$62.0 million or 14.7%, as compared to the same corresponding period a year ago.
- Unaudited profit for the period was HK\$8.6 million for the nine months ended 30 September 2021, representing an increase of HK\$5.5 million or 181.0% compared to HK\$3.1 million for the nine months ended 30 September 2020.
- Unaudited basic and diluted earnings per share for the nine months ended 30 September 2021 was HK cents 2.1 (unaudited basic and diluted earnings per share for the nine months ended 30 September 2020: HK cents 0.91).
- The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2021 (for the nine months ended 30 September 2020: Nil).

Quarterly Results

The board of directors (the “Board”) of the Company presents the unaudited condensed consolidated results of the Group for the three and nine months ended 30 September 2021, together with comparative figures as follows:

Condensed Consolidated Statement of Profit or Loss

For the three and nine months ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	3	142,101	157,274	483,484	421,521
Cost of sales and services		(125,392)	(136,051)	(425,514)	(368,792)
Gross profit		16,709	21,223	57,970	52,729
Other income, net		906	1,339	3,646	2,092
Selling and administrative expenses		(17,381)	(12,802)	(49,052)	(47,338)
Finance costs		(170)	(142)	(591)	(569)
Profit before income tax	4	64	9,618	11,973	6,914
Income tax expense	5	(2,151)	(2,385)	(3,415)	(3,868)
(Loss)/profit for the period		(2,087)	7,233	8,558	3,046
Attributable to:					
– Owners of the Company		(2,453)	6,894	8,396	3,623
– Non-controlling interests		366	339	162	(577)
		(2,087)	7,233	8,558	3,046
(Loss)/earnings per share attributable to owners of the Company					
Basic and Diluted (HK cents)	6	(0.61)	1.72	2.10	0.91

Condensed Consolidated Statement of Comprehensive Income

For the three and nine months ended 30 September 2021

	Three months ended 30 September		Nine months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
(Loss)/profit for the period	(2,087)	7,233	8,558	3,046
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	(6,229)	2,999	(9,857)	(1,778)
Total comprehensive income for the period	(8,316)	10,232	(1,299)	1,268
Attributable to:				
– Owners of the Company	(8,687)	9,898	(1,462)	1,841
– Non-controlling interests	371	334	163	(573)
	(8,316)	10,232	(1,299)	1,268

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2021

	Attributable to equity holders of the Company									Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Research and development	Foreign exchange	Legal reserve	Retained earnings	Total HK\$'000	Non-controlling interests HK\$'000	
				reserve	reserve	reserve	HK\$'000			
At 1 January 2021 (audited)	4,000	35,718	13,855	3,674	741	2,490	82,232	142,710	658	143,368
Profit for the period	-	-	-	-	-	-	8,396	8,396	162	8,558
Exchange difference arising on translation of foreign operations	-	-	-	-	(9,858)	-	-	(9,858)	1	(9,857)
	-	-	-	-	(9,858)	-	8,396	(1,462)	163	(1,299)
Transferred from retained earnings upon declaration of final dividend from a subsidiary	-	-	-	-	-	454	(454)	-	-	-
At 30 September 2021 (unaudited)	4,000	35,718	13,855	3,674	(9,117)	2,944	90,174	141,248	821	142,069
At 1 January 2020 (audited)	4,000	35,718	13,855	3,674	(5,792)	1,995	75,677	129,127	1,021	130,148
Profit for the period	-	-	-	-	-	-	3,623	3,623	(577)	3,046
Exchange difference arising on translation of foreign operations	-	-	-	-	(1,782)	-	-	(1,782)	4	(1,778)
	-	-	-	-	(1,782)	-	3,623	1,841	(573)	1,268
Transferred from retained earnings upon declaration of final dividend from a subsidiary	-	-	-	-	-	495	(495)	-	-	-
At 30 September 2020 (unaudited)	4,000	35,718	13,855	3,674	(7,574)	2,490	78,805	130,968	448	131,416

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

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, 15th Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, whereas in Korea our principal place of business is located at Unit 801-809, 822, Mullaek SK V1 Center, 10 Seonyu-ro, 9-gil, Yeongdeungpo-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; (ii) maintenance services; and (iii) cyber security services in Korea and Hong Kong.

The functional currencies of the Company's principal operating subsidiaries in Korea and Hong Kong are South Korean Won ("KRW") and Hong Kong Dollars ("HK\$") respectively, while the condensed consolidated financial statements are presented in HK\$. As the Company's shares (the "Shares") are listed on GEM of the Stock Exchange, the Directors consider that it is more appropriate to adopt HK\$ as the Group's presentation currency. The amount stated are rounded to the nearest HK\$1,000 unless otherwise stated.

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements for the nine months ended 30 September 2021 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements for the nine months ended 30 September 2021 are consistent with those adopted in the annual financial statements for the year ended 31 December 2020. The condensed consolidated financial statements for the nine months ended 30 September 2021 should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

On 1 January 2021, the Group has adopted all the new and revised HKFRSs, amendments and interpretations that are effective from that date and are relevant to its operations. The adoption of these new/revised HKFRSs, amendments and interpretations has no material effect on the results reported for the current or prior periods.

3. REVENUE AND SEGMENT INFORMATION

The Group’s business is organised into three segments:

- (i) system integration;
- (ii) maintenance services; and
- (iii) cyber security services.

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

Segment revenue and profit contribution are:

(a) Business segments:

	Three months ended 30 September							
	2021				2020			
	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	91,383	42,403	9,595	143,381	113,783	36,035	8,796	158,614
Inter-segment revenue	-	-	(1,280)	(1,280)	-	-	(1,340)	(1,340)
Revenue from external customers	91,383	42,403	8,315	142,101	113,783	36,035	7,456	157,274
Gross profit/segment results	3,542	9,687	3,480	16,709	8,573	9,888	2,762	21,223
Other income, net				906				1,339
Selling and administrative expenses				(17,381)				(12,802)
Finance costs				(170)				(142)
Profit before income tax				64				9,618
Income tax expense				(2,151)				(2,385)
(Loss)/profit for the period				(2,087)				7,233

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

	Nine months ended 30 September							
	2021				2020			
	System integration	Maintenance services	Cyber security services	Total	System integration	Maintenance services	Cyber security services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total segment revenue	334,172	127,083	25,889	487,144	292,306	110,332	24,760	427,398
Inter-segment revenue	-	-	(3,660)	(3,660)	-	-	(5,877)	(5,877)
Revenue from external customers	334,172	127,083	22,229	483,484	292,306	110,332	18,883	421,521
Gross profit/segment results	21,286	29,455	7,229	57,970	17,570	30,057	5,102	52,729
Other income, net				3,646				2,092
Selling and administrative expenses				(49,052)				(47,338)
Finance costs				(591)				(569)
Profit before income tax				11,973				6,914
Income tax expense				(3,415)				(3,868)
Profit for the period				8,558				3,046

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

(b) Geographic information:

	Three months ended 30 September		Nine months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Korea	133,786	149,818	461,255	402,638
Hong Kong	8,315	7,456	22,229	18,883
Total	142,101	157,274	483,484	421,521

(c) Revenue analysis:

	Three months ended 30 September		Nine months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue from customers and recognised over time:				
– Revenue from system integration services	91,383	113,783	334,172	292,306
– Revenue from maintenance services	42,403	36,035	127,083	110,332
– Revenue from cyber security services	8,315	7,456	22,229	18,883
Total	142,101	157,274	483,484	421,521

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

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

	Three months ended 30 September							
	2021				2020			
	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)
Type of goods or services								
- Cloud infrastructure	64,044	41,547	-	105,591	80,976	34,418	-	115,394
- Security	27,339	856	8,315	36,510	32,807	1,617	7,456	41,880
Total revenue from contracts with customers	91,383	42,403	8,315	142,101	113,783	36,035	7,456	157,274
Type of customers								
- Public sector	23,944	26,421	-	50,365	46,459	21,664	-	68,123
- Private sector	67,439	15,982	8,315	91,736	67,324	14,371	7,456	89,151
Total revenue from contracts with customers	91,383	42,403	8,315	142,101	113,783	36,035	7,456	157,274
Type of contract duration								
- Within twelve months	89,294	30,703	6,898	126,895	96,858	13,308	5,441	115,607
- Over twelve months but less than twenty-four months	2,089	6,071	737	8,897	16,925	18,896	853	36,674
- Over twenty-four months	-	5,629	680	6,309	-	3,831	1,162	4,993
Total revenue from contracts with customers	91,383	42,403	8,315	142,101	113,783	36,035	7,456	157,274

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

	Nine months ended 30 September							
	2021				2020			
	System integration	Maintenance services	Cyber security services	Total	System integration	Maintenance services	Cyber security services	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Type of goods or services								
- Cloud infrastructure	249,985	120,220	-	370,205	238,155	105,075	-	343,230
- Security	84,187	6,863	22,229	113,279	54,151	5,257	18,883	78,291
Total revenue from contracts with customers	334,172	127,083	22,229	483,484	292,306	110,332	18,883	421,521
Type of customers								
- Public sector	109,822	79,385	-	189,207	117,443	65,212	-	182,655
- Private sector	224,350	47,698	22,229	294,277	174,863	45,120	18,883	238,866
Total revenue from contracts with customers	334,172	127,083	22,229	483,484	292,306	110,332	18,883	421,521
Type of contract duration								
- Within twelve months	316,439	99,508	18,018	433,965	270,258	21,616	14,437	306,311
- Over twelve months but less than twenty-four months	17,733	15,229	1,487	34,449	22,048	73,737	2,448	98,233
- Over twenty-four months	-	12,346	2,724	15,070	-	14,979	1,998	16,977
Total revenue from contracts with customers	334,172	127,083	22,229	483,484	292,306	110,332	18,883	421,521

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

4. PROFIT BEFORE INCOME TAX

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

	Three months ended 30 September		Nine months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Costs of inventories recognised as expenses	101,387	116,128	351,008	305,799
Employee costs	25,618	21,176	73,003	64,745
Subcontracting costs	11,766	7,711	30,565	26,865
Net provision for impairment of trade receivables	(495)	(1,651)	(2,343)	57
Amortisation of intangible assets	1,018	1,213	3,051	3,637
Depreciation of property, plant and equipment	453	467	1,374	1,832
Depreciation of right-of-use assets	652	568	1,941	1,731
Research and development costs	1,292	1,214	3,906	3,994
Interest on lease liabilities	28	20	82	62
Short term lease expenses	54	95	325	430

5. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current tax				
– Korea	1,574	1,838	1,896	2,380
– Hong Kong	182	–	182	–
	1,756	1,838	2,078	2,380
Deferred Tax				
– Korea	242	378	1,142	373
– Hong Kong	153	169	195	1,115
	395	547	1,337	1,488
Total	2,151	2,385	3,415	3,868

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

Global Telecom Company Limited ("Global Telecom"), is subject to Korean Corporate Income Tax which comprised national and local taxes (collectively "Korean Corporate Income Tax"). Korean Corporate Income Tax is charged at the progressive rate from 11.0% to 24.2% on the estimated assessable profit of Global Telecom derived worldwide during each of the periods presented.

- 11% on assessable profit up to the first KRW200 million (equivalent to approximately HK\$1.3 million);
- 22% on assessable profit in excess of KRW200 million (equivalent to approximately HK\$1.3 million) and up to KRW20 billion (equivalent to approximately HK\$130.5 million);
- 24.2% on assessable profit in excess of KRW20 billion (equivalent to approximately HK\$130.5 million).

Subsidiaries operating in Hong Kong are subject to Hong Kong profits tax. Under two-tier profit tax regime, if the entity has one or more connected entity, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates Hong Kong profits tax of the nominated entity is calculated at 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profits over HK\$2 million.

For those entities which do not qualify for two-tiered profits tax rates, a profits tax rate of 16.5% on assessable profit shall remain in calculating Hong Kong profits tax.

6. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
(Loss)/profit for the period	(2,453)	6,894	8,396	3,623

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2021

	Three months ended 30 September		Nine months ended 30 September	
	2021 Number '000 (unaudited)	2020 Number '000 (unaudited)	2021 Number '000 (unaudited)	2020 Number '000 (unaudited)
Weighted average number of ordinary shares	400,000	400,000	400,000	400,000

Weighted average of 400,000,000 shares for the nine months ended 30 September 2021 represents the number of shares in issue throughout the period.

Diluted (loss)/earnings per share were the same as the basic (loss)/earnings per share as the Group had no potential dilutive ordinary shares during the three and nine months ended 30 September 2021 and 2020.

7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2021 (corresponding period in 2020: nil).

8. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF KEY MANAGEMENT

	Three months ended 30 September		Nine months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Remuneration of directors and other members of key management	4,326	2,971	9,939	6,937

Management Discussion and Analysis

FINANCIAL REVIEW

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three and nine months ended 30 September 2021

	Three months ended			Change %	Nine months ended			Change %
	30 September 2021 HK\$'000 (unaudited)	30 June 2021 HK\$'000 (unaudited)	Change HK\$'000		30 September 2021 HK\$'000 (unaudited)	30 September 2020 HK\$'000 (unaudited)	Change HK\$'000	
Revenue	142,101	177,797	(35,696)	(20.1%)	483,484	421,521	61,963	14.7%
Cost of sales and services	(125,392)	(157,640)	(32,248)	(20.5%)	(425,514)	(368,792)	56,722	15.4%
Gross profit	16,709	20,157	(3,448)	(17.1%)	57,970	52,729	5,241	9.9%
Other income, net	906	1,228	(322)	(26.2%)	3,646	2,092	1,554	74.3%
Selling and administrative expenses	(17,381)	(14,307)	3,074	21.5%	(49,052)	(47,338)	1,714	3.6%
Finance costs	(170)	(171)	(1)	(0.6%)	(591)	(569)	22	3.9%
Profit before income tax	64	6,907	(6,843)	(99.1%)	11,973	6,914	(5,059)	73.2%
Income tax (expenses)/credit	(2,151)	185	2,336	(1,262.7%)	(3,415)	(3,868)	453	(11.7%)
(Loss)/profit for the period	(2,087)	7,092	(9,179)	(129.4%)	8,558	3,046	(5,512)	181.0%

Management Discussion and Analysis

For the nine months ended 30 September 2021, the Group posted a revenue of HK\$483.5 million representing an increase of HK\$62.0 million or 14.7% when compared to the revenue of HK\$421.5 million in the same corresponding period in 2020. An analysis of the Group's revenue is presented below:

- Korea and Hong Kong operations were expanding during the period. Korea contributed HK\$461.3 million for the nine months ended 30 September 2021, surging by HK\$58.7 million or 14.6% compared to HK\$402.6 million a year ago. Business in Hong Kong contributed HK\$22.2 million, which was HK\$3.3 million or 17.7% higher compared to HK\$18.9 million a year ago.
- All segments recorded a revenue growth for the nine months ended 30 September 2021. Revenue from system integration, maintenance services and cyber security services were HK\$334.2 million, HK\$127.1 million and HK\$22.2 million respectively which accounting for 69.1%, 26.3% and 4.6% of the Group's revenue (for the nine months ended 30 September 2020: 69.3%, 26.2% and 4.5%).

- For the nine months ended 30 September 2021, public sector contributed HK\$189.2 million in revenue, which was increased by HK\$6.6 million or 3.6%; while private sector contributed HK\$294.3 million in revenue, which was increased by HK\$55.4 million or 23.2% when compared to year-ago period.

The Group's gross profit increased by HK\$5.3 million or 9.9% from HK\$52.7 million for the nine months ended 30 September 2020 to HK\$58.0 million for the nine months ended 30 September 2021. The increase was attributable to the growth in revenue but mitigated by a higher cost of sales and services.

The Group posted a selling and administrative expenses of HK\$49.1 million for the nine months ended 30 September 2021 which was comparable to the amount of HK\$47.3 million for the nine months ended 30 September 2020. The slight increase of HK\$1.8 million or 3.6% year-on-year was caused by the increase in employee costs.

After a provision of HK\$3.4 million for tax expenses, the Group's profit for the period stood at HK\$8.6 million for the nine months ended 30 September 2021, represented an increase of HK\$5.5 million or 181% from HK\$3.1 million a year ago.

Management Discussion and Analysis

Liquidity and Financial Resources

As at 30 September 2021, the Group's net current assets were HK\$98.2 million showing a strong liquidity.

The Group expresses its gearing ratio as a percentage of total debt over total equity. As at 30 September 2021, the gearing ratio was 38.8% (as at 31 December 2020: 21.1%). The increase was mainly due to the raise of new loans for business operations and properties purchase. The liquidity ratio, represented by a ratio of current assets over current liabilities, was 1.9 times (as at 31 December 2020: 1.6 times), reflecting the adequacy of financial resources.

As at 30 September 2021, the Group recorded cash and cash equivalents of approximately HK\$74.2 million (as at 31 December 2020: approximately HK\$96.2 million), which included approximately KRW9.9 billion, HK\$6.0 million, US\$0.4 million and small amount of Singapore dollars.

As at 30 September 2021, the Group had variable rate bank borrowings of approximately US\$4.6 million, which was equivalent to approximately HK\$36.0 million (as at 31 December 2020: approximately HK\$30.3 million). Certain banking borrowings are guaranteed by Korea Credit Guarantee Fund which is a public financial institution independent of the Group.

Foreign Exchange Exposure

The Group's business in Korea is exposed to currency risk that mainly arose from the currency difference between our revenue receipts (which are denominated in KRW) and some of our payments for purchases (which are in US\$). In preparing the costing of our system integration project in which procurement of components in US\$ is required, we would add on a margin to the relevant cost items of the project as a cushion to safeguard against any unfavourable foreign exchange movement between the costing date and the relevant settlement date.

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

Charges on Group's Assets

None of the Group's assets were charged as at 30 September 2021.

Management Discussion and Analysis

Material Investments and Capital Assets

The Group did not have any material investments and capital assets for the nine months ended 30 September 2021.

The carrying amount of the Group's unlisted equity securities as at 30 September 2021 accounted for approximately 1.7% of the Group's total assets and is not significant. The unlisted equity securities mainly represent the investment in KSFC (a cooperative established pursuant to the Software Industry Promotion Act with the purpose of promoting the development of the IT industry in Korea) for its membership. Depending on the amount of investment in KSFC, a member of KSFC is granted a certain amount of guarantee limit by KSFC for use in its operation.

The Group did not have any plan for material investments or capital asset as at 30 September 2021 as well.

Significant Acquisitions and Disposals

For the nine months ended 30 September 2021, the Group had not made any significant acquisition or disposal.

As at 30 September 2021, the Group was continuously seeking potential buyers for the remaining eleven properties. Having said that in the circular dated 25 January 2021 and the supplementary announcement dated 31 March 2021, since the properties are part of the government subsidised, the Directors consider that the prices of the properties will not have any downside risk. In the event that any of the eleven properties are not disposed of prior to the payment date for relevant intermediate payment(s) and/or remaining balance, the Company intends to satisfy these payable by bank borrowing in Korea. As at 30 September 2021, Global Telecom has obtained a banking facility totaling KRW5,013,132,000 (equivalent to approximately HK\$32.9 million) to satisfy relevant intermediate payments.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2021.

Capital Commitment

As at 30 September 2021, the Group has outstanding capital commitment of KRW4,713,060,000 (equivalent to approximately HK\$31.0 million) related to the agreement entered for properties purchase in Korea which is not provided for in the Group's financial statements.

Management Discussion and Analysis

BUSINESS REVIEW

	HK\$'000
Opening backlog as at 1 January 2021	166,124
New booking during the period	494,591
Revenue recognised during the period	(483,484)
Closing backlog as at 30 September 2021	177,231

The Group's revenue showed a stable growth in spite that the threat of pandemic. For the nine months ended 30 September 2021, system integration segment was the main source of revenue of the Group and more sizable contracts were awarded to sustain revenue growth in consecutive years. Examples of these sizable contracts included:

- A contract won from government for equipment replacement amounting to KRW5.1 billion (equivalent to HK\$34.1 million);
- A contract won from a search engine operator amounting to KRW3.5 billion (equivalent to HK\$23.4 million); and
- A contract won from a computer programming service provider amounting to KRW2.2 billion (equivalent to HK\$14.6 million).

Revenue from maintenance services segment has been growing during the nine months ended 30 September 2021 to HK\$127.1 million from HK\$110.3 million for the same corresponding period in 2020. The growth was due to the increase in number of maintenance contracts.

Cyber security services segment was in growing trend. For the nine months ended 30 September 2021, this segment recorded a revenue of HK\$22.2 million which represented an increase of HK\$3.3 million or 17.7%, the highest growth rate among the segments of the Group.

Management Discussion and Analysis

PROSPECTS

The Group recorded profit for the period of HK\$8.6 million for the nine months ended 30 September 2021 with more sizable contracts won across all segments. As a result, we are positive that the Group will be profitable in the full year of 2021, bearing unforeseen circumstances.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group had an aggregate of 221 (30 September 2020: 220) employees comparable to a year ago.

The employees of the Group are remunerated according to their job scope and responsibilities. The employees are also entitled to discretionary bonus depending on their respective performance. Total employee costs, including Directors' emoluments, amounted to approximately HK\$73.0 million for the nine months ended 30 September 2021 (for the nine months ended 30 September 2020: approximately HK\$64.7 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 2021, no share option had been granted.

In enhancing the competitiveness and improving staff quality through continuous learning, the Group provides our staff with regular technical and on-the-job trainings and encourages our staff to attend external seminars and sit for examinations to develop their knowledge continuously.

Corporate Governance and Other Information

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

As at 30 September 2021, 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	220,000,000	55.00%
Mr. Suh Seung Hyun ^(Notes 1 and 2) ("Mr. Suh")	Interest held jointly with other persons/Interest in controlled corporation	220,000,000	55.00%
Mr. Lee Seung Han ^(Notes 1 and 2) ("Mr. Lee")	Interest held jointly with other persons/Interest in controlled corporation	220,000,000	55.00%
Mr. Tao Guolin ^(Note 4) ("Mr. Tao")	Beneficial owner	22,917,327	5.73%

Corporate Governance and Other Information

Notes:

- (1) LiquidTech Limited ("LiquidTech") held 220,000,000 Shares, representing 55.00% 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 18.14%, 25.34%, 22.71%, 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 55.00% 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 55.00% 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) On 2 July 2021, LiquidTech and Mr. Tao have entered into a sale and purchase agreement, whereby LiquidTech agreed to sell and Mr. Tao agreed to purchase 22,917,327 shares representing approximately 5.73% interest in the share capital of the Company.
- (5) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 30 September 2021 (i.e. 400,000,000 Shares).

Save as disclosed above, as at 30 September 2021, 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.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2021, 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 10)
LiquidTech ^(Note 1)	Beneficial owner	220,000,000	55.00%
AMS ^(Notes 1, 2 and 3)	Interest in controlled corporation	220,000,000	55.00%
Mr. Park ^(Notes 2 and 3)	Interest held jointly with other persons/Interest in controlled corporation	220,000,000	55.00%
Ms. Marilyn Tang ^(Notes 2, 3 and 4)	Interest held jointly with other persons/Interest in controlled corporation/Interest of spouse	220,000,000	55.00%
Ms. Lee Kim Sinae ^(Note 5)	Interest of spouse	220,000,000	55.00%
Ms. Suh Kim Seong Ock ^(Note 6)	Interest of spouse	220,000,000	55.00%
Ms. Shin Hee Kum ^(Note 7)	Interest of spouse	220,000,000	55.00%
Ms. Han Lerong ^(Note 8)	Interest of spouse	22,917,327	5.73%
Mr. Tao Jian	Beneficial owner	20,000,000	5.00%

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 18.14% by Mr. Phung, 25.34% by Mr. Suh, 22.71% 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 55.00% 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 55.00% interest in the share capital of the Company.

Corporate Governance and Other Information

- (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) Ms. Han Lerong is the spouse of Mr. Tao. Ms. Han Lerong is deemed to be interested in all the Shares in which Mr. Tao is interested under Part XV of the SFO.
- (9) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 30 September 2021 (i.e. 400,000,000 Shares).

Save as disclosed above, as at 30 September 2021, 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 2021.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the nine months ended 30 September 2021, 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 nine months ended 30 September 2021.

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 2021.

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 nine months ended 30 September 2021, the Audit Committee consists of three independent non-executive Directors namely, Mr. Wong Sik Kei, Mr. Yung Kai Tai and Mr. Sum Chun Ho. Mr. Sum Chun Ho possesses the appropriate professional accounting qualifications and serves as the chairman of the Audit Committee.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management systems and internal control systems and the internal control function, audit plan and relationship with external auditors, and arrangement to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee had reviewed the unaudited quarterly results of the Company for the nine months ended 30 September 2021.

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

Hong Kong, 5 November 2021