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FUTURE DATA

FUTURE DATA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8229)

SUPPLEMENTAL ANNOUNCEMENT

**VERY SUBSTANTIAL ACQUISITION
IN RELATION TO THE ACQUISITION OF PROPERTIES IN KOREA**

Reference is made to the Announcement in relation to, among other things, the Acquisition. Subsequent to the publication of the Announcement and upon obtaining further advice from professional parties, the Company became aware that the total Purchase Price (instead of the Initial Payment) shall be used in calculating the relevant percentage ratios (as defined under the GEM Listing Rules), and as such, the Acquisition would constitute a very substantial acquisition on the part of the Company under Chapter 19 of the GEM Listing Rules. In this connection, the Board wishes to provide further information in respect of the Acquisition as set out below.

THE AGREEMENTS

The Board announces that on 14 May 2020 (after trading hours of the Stock Exchange), Global Telecom (as purchaser), a wholly-owned subsidiary of the Company, entered into the Agreements with Korea Trust (as vendor and trustee of the Properties of SK D&D), SK D&D (as property developer) and Taeyoung Engineering (as construction company), pursuant to which Global Telecom agreed to purchase and Korea Trust agreed to sell the Properties for a total Purchase Price of KRW12,532,830,000 (equivalent to approximately HK\$78,957,000) subject to the terms and conditions of the Agreements.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition exceed(s) 100%, the entering into of the Agreements constitutes a very substantial acquisition on the part of the Company and is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Agreements. As such, no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, (i) further information on the Acquisition; and (ii) independent property valuation report on the Properties, together with a notice convening the EGM is expected to be despatched to the Shareholders on or before 30 September 2020 as additional time is required to prepare the valuation report on the Properties and the financial information to be included in the circular in relation to the Acquisition.

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The principal terms of the Agreements are set out below:

Date: 14 May 2020

Parties:

- (i) Global Telecom, as purchaser
- (ii) Korea Trust, as vendor and trustee of the Properties of SK D&D
- (iii) SK D&D, as property developer
- (iv) Taeyoung Engineering, as construction company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Korea Trust, SK D&D, Taeyoung Engineering and their respective ultimate beneficial owner(s) is an Independent Third Party.

Assets to be acquired

Pursuant to the terms and conditions of the Agreements, Global Telecom agreed to purchase and Korea Trust agreed to sell the Properties subject to and upon the terms and conditions therein.

As confirmed by the Directors, the Initial Payment of the Properties was accounted as a deposit under current asset as at the date of this announcement. In the event that the Properties are not disposed of before Closing, the Properties are expected to be classified as investment property at fair value under non-current asset upon Closing.

Purchase Price

The Purchase Price is KRW12,532,830,000 (equivalent to approximately HK\$78,957,000), which shall be payable by Global Telecom to Korea Trust in the following manner:

- (i) an initial payment of KRW1,253,283,000 (equivalent to approximately HK\$7,896,000) (the "**Initial Payment**") has been paid by Global Telecom on the date of the Agreements;
- (ii) the first intermediate payment of KRW1,253,283,000 (equivalent to approximately HK\$7,896,000) (the "**First Intermediate Payment**") (subject to adjustment) shall be payable by Global Telecom on or before 13 October 2020;
- (iii) the second intermediate payment of KRW1,253,283,000 (equivalent to approximately HK\$7,896,000) (the "**Second Intermediate Payment**") (subject to adjustment) shall be payable by Global Telecom on or before 13 April 2021;
- (iv) the third intermediate payment of KRW1,253,283,000 (equivalent to approximately HK\$7,896,000) (the "**Third Intermediate Payment**") (subject to adjustment) shall be payable by Global Telecom on or before 14 September 2021;

- (v) the fourth intermediate payment of KRW1,253,283,000 (equivalent to approximately HK\$7,896,000) (the “**Fourth Intermediate Payment**”) (subject to adjustment) shall be payable by Global Telecom on or before 15 February 2022; and
- (vi) the remaining balance of KRW6,266,415,000 (equivalent to approximately HK\$39,478,000) (the “**Remaining Balance**”) (subject to adjustment) shall be payable by Global Telecom on the date of occupancy.

Pursuant to the terms and conditions of the Agreements, (i) in the event that the Intermediate Payment(s) and/or the Remaining Balance is/are made before the designated payment date as set out above, the Purchase Price shall be adjusted by deducting an amount equivalent to the number of days paid in advance multiplied by an advance payment discount rate of 2% per annum from the relevant Intermediate Payment(s) and/or the Remaining Balance; and (ii) Global Telecom shall bear property taxes in respect of the Properties incurred after the date of occupancy.

In the event that any of the Properties are not disposed of prior to the payment date for the relevant Intermediate Payment(s) and/or the Remaining Balance, the Company intends to satisfy the Intermediate Payment(s) and the Remaining Balance by bank borrowing in Korea and/or internal resources of the Group, whereas the Initial Payment was financed by internal resources of the Group.

Basis of determination of the Purchase Price

Pursuant to the terms and conditions of the Agreements, the Purchase Price was determined with reference to, among others, the location, area, pillar layout of each unit of the Properties. Taking into account the above, the prevailing market price of other comparable properties located in the nearby location of the Properties, and the benefits of the Acquisition as set out in the section headed “Reasons for and benefits of the Acquisition” in this announcement, the Directors are of the view that the Purchase Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A valuation report of the Properties to be performed by an independent professional valuer appointed by the Company will be contained in the circular to be despatched to the Shareholders.

Restriction on the Use of the Properties

Pursuant to the terms and conditions of the Agreements, Global Telecom shall be verified and recognised to be engaged in a business which is permitted to move into the Knowledge Industry Center, which Think Factory Industrial Cluster is qualified, under the Industrial Cluster Act. Global Telecom shall not move into the Properties or lease the Properties to other third party(ies), if the business of Global Telecom has changed to, or the business of the third party is, a type which is not permitted to move into the Knowledge Industry Centre under the Industrial Cluster Act, and any disadvantage arising due to such change of business must be borne by Global Telecom. However, if Korea Trust has provided prior written consent, Global Telecom may transfer or assign the Properties to other third party(ies) engaged in a business which is permitted at the Knowledge Industry Center.

Succession of Rights and Obligations

Pursuant to the terms and conditions of the Agreements, Global Telecom shall obtain prior approval from Korea Trust, SK D&D and Taeyoung Engineering in order to transfer its status or rights under the Agreements to other third party(ies).

Closing

Pursuant to the terms and conditions of the Agreements, Korea Trust shall register the preservation of ownership within 60 days from the date of approval for use of the Think Factory Industrial Cluster where the Properties are located.

At Closing, (i) Global Telecom shall fully pay the proceeds from the housing payment, overdue charges, administrative expenses (if any) to Korea Trust and apply to Korea Trust for the transfer of ownership from Korea Trust to Global Telecom within 60 days from the completion date of registration of ownership of Korea Trust in respect of the Properties; and the transfer of ownership from Korea Trust to Global Telecom shall be completed at the expense of Global Telecom within 60 days from the date of its application for the transfer of ownership; and (ii) Global Telecom may pay acquisition tax within 60 days from the date of payment of the Remaining Balance or registration of the transfer of ownership; however, if the date of payment of the Remaining Balance is earlier than the said date of approval for use, the payment of acquisition tax shall be made within 60 days from the said date of approval for use.

Termination

Pursuant to the terms and conditions of the Agreements, Korea Trust is entitled to terminate the Agreements if Global Telecom is in breach of the Agreements. In such event, Korea Trust may forfeit the Initial Payment paid by Global Telecom as a penalty, but shall refund the remaining balance of all the Purchase Price paid by Global Telecom without prejudice to its right to claim damages from Global Telecom.

Pursuant to the terms and conditions of the Agreements, prior to the payment of any of the Intermediate Payments and the Remaining Balance, Global Telecom is also entitled to terminate the Agreements. In such event, Korea Trust may forfeit the Initial Payment paid by Global Telecom as a penalty without prejudice to its right to claim damages from Global Telecom.

INFORMATION ON KOREA TRUST, SK D&D AND TAEYOUNG ENGINEERING

Korea Trust is a real estate trust company incorporated in Korea. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Korea Trust is principally engaged in the development, management and sale of properties held on trust for and on behalf of third parties, and is owned as to approximately 28.43% by Hyun Sub Lee, approximately 16.11% by Bo Hyun Lee, approximately 9.91% by IBK Savings Bank, approximately 9.00% by Kyungnam Bank, approximately 9.00% by Daegu Bank, approximately 9.00% by Jeon Buk Bank, approximately 9.00% by Kwangju Bank and approximately 9.55% by other minority shareholders, respectively.

SK D&D is a company incorporated in Korea, the issued shares of which are listed on KOSPI of the Korea Exchange (stock code: 210980:KS). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, it is principally engaged in property development of industrial and residential buildings.

Taeyoung Engineering is a company incorporated in Korea, the issued shares of which are listed on KOSPI of the Korea Exchange (stock code: 009410:KS). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, it is principally engaged in the construction of civil engineering projects.

INFORMATION ON THE PROPERTIES

The Properties comprise of 17 properties located at 12, 12-1, Dangsang-dong 1-ga, Yeongdeungpo-gu, Seoul, Korea with a total floor area of approximately 1,270.78 square metres. The construction of the Think Factory Industrial Cluster commenced in May 2020 and the Think Factory Industrial Cluster is still under construction as at the date of this announcement. The expected date of occupancy of the Think Factory Industrial Cluster will be in or around October 2022, which is subject to change depending on the progress of construction.

Pursuant to the terms and conditions of the Agreements, the Properties shall be used for businesses which are permitted to move into the Knowledge Industry Center under the Industrial Cluster Act (i.e. manufacturing, knowledge, information and communications and support facilities).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and the Group is principally engaged in the provision of (i) system integration; (ii) cyber security services; and (iii) maintenance services in Korea and Hong Kong. Global Telecom is a company incorporated in Korea and is classified as an information communication technology company under the Industrial Cluster Act.

As disclosed in the Announcement, in 2018, the Ministry of Trade, Industry and Energy of Korea was successful in their efforts to gain Korean Government's support to pass the Enforcement Decree of the Industrial Cluster Act. Under the Industrial Cluster Act, which came into effect since 2018, the Ministry envisioned the concept known as "Factory Industrial Clusters" being: (1) urban factories where they can designate high-tech industry factories, factories with low pollution emission, and factories closely connected with urbanite life, etc. into clusters; and (2) Knowledge Industry Centers which refer to collective multi-storey buildings meeting all of the conditions where individuals engaged in a manufacturing business, knowledge industry business or information and communications technology business, that can move in and be provided with supporting facilities installed within the building clusters. Following that the Ministry allocated certain land concessions around the metropolitan area of Seoul to support this initiative.

Having regard to (i) the reputation of SK D&D, being the property developer of the Properties, and Taeyoung Engineering, being the construction company of the Properties; (ii) the prime location of the Properties, which is in relatively close proximity to the central business district in Seoul; (iii) the tax concession and certain other cost savings that business occupying the Properties may enjoy; and (iv) the growing demand for similar properties in Korea, the Board believes that the demand for the Properties would be high and the potential disposal(s) of which would generate considerable returns.

The Group plans to sell the Properties by the transfer of its status or rights under the Agreements before the designated payment date of the First Intermediate Payment (i.e. 13 October 2020). As at the date of this announcement, the Group is in the course of identifying and having preliminary negotiation with several potential purchasers, which carry on business(es) that is/are permitted to move into Knowledge Industry Centers under the Industrial Cluster Act, in relation to the possible disposal of the Properties, and has entered into a non-legally binding letter of intent with one of the potential purchasers. As such, the Board considers that the Acquisition represents an attractive short-term investment opportunity with low risk and high gain given that it is also supported by the Korean Government, and especially when the Korean economy recovered from the impact of lock-downs and restriction of travels in the second half of 2020.

As at the date of this announcement, no legally-binding agreement in relation to the possible disposal of the Properties has been entered into by the Group. If the possible disposal of the Properties materialises, it may constitute a notifiable transaction on the part of the Company and announcement(s) will be made by the Company in compliance with the GEM Listing Rules.

In light of the above, the Directors (including the independent non-executive Directors) consider that the Agreements and the Acquisition (including the payment of the Initial Payment) are in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms, fair and reasonable.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition exceed(s) 100%, the entering into of the Agreements constitutes a very substantial acquisition on the part of the Company and is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The Company acknowledges that the reporting, announcement and Shareholders' approval in respect of the Acquisition as required under Chapter 19 of the GEM Listing Rules had been delayed due to inadvertent omission and unintentional oversight by the responsible personnel of the Company (the "**Incident**"). As such, the Incident constituted non-compliance to Rules 19.34 and 19.49 of the GEM Listing Rules at the material time.

REMEDIAL ACTIONS

In order to prevent occurrence of similar incidents in the future, the Company would implement the following remedial measures and actions with immediate effect:

- (i) all acquisition and/or disposal documents with value over 5% of the consolidated total asset of the Company to which any member of the Group is expressed to be a party are required to be approved by the Board before they may be entered into;
- (ii) the Company shall arrange more training on regulatory compliance matters relating to notifiable transactions to the Directors, senior management and responsible staff members on a regular basis to reinforce their understanding of the compliance of the GEM Listing Rules and to emphasise the importance of identifying such transactions prior to execution;
- (iii) the Company shall re-circulate an internal policy relating to notifiable and connected transactions under the GEM Listing Rules for all the Directors as well as its management team in order to strengthen and reinforce their existing knowledge in the same regard;
- (iv) the Company shall re-circulate a reporting policy such that each member of the Group shall report those transactions which may constitute potential notifiable or connected transactions to the office of the Company in Hong Kong for approval prior to the entering into of those transactions; and
- (v) the Company shall, as and when appropriate and necessary, consult legal advisers and/or other professional advisers before entering into of possible notifiable and connected transactions.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Agreements. As such, no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other things, (i) further information on the Acquisition; and (ii) independent property valuation report on the Properties, together with a notice convening the EGM is expected to be despatched to the Shareholders on or before 30 September 2020 as additional time is required to prepare the valuation report on the Properties and the financial information to be included in the circular in relation to the Acquisition.

DEFINITIONS

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

“Acquisition”	the acquisition of the Properties by Global Telecom from Korea Trust pursuant to the terms and conditions of the Agreements
“Agreements”	the 17 agreements dated 14 May 2020 and entered into amongst Global Telecom (as purchaser), Korea Trust (as vendor and trustee of the Properties of SK D&D), SK D&D (as property developer) and Taeyoung Engineering (as construction company) in relation to the Acquisition
“Announcement”	the announcement of the Company dated 7 July 2020 in relation to, among other things, the Acquisition
“Board”	board of Directors
“Closing”	closing of the sale and purchase of the Properties under the Agreements
“Company”	Future Data Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8229)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve the Agreements and the transactions contemplated thereunder
“First Intermediate Payment”	has the meaning ascribed thereto in the paragraph headed “Purchase Price” under the section headed “The Agreements” in this announcement

“Fourth Intermediate Payment”	has the meaning ascribed thereto in the paragraph headed “Purchase Price” under the section headed “The Agreements” in this announcement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Global Telecom”	Global Telecom Co., Ltd., a company incorporated in Korea and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Incident”	has the meaning ascribed thereto in the section headed “GEM Listing Rules Implications” in this announcement
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Industrial Cluster Act”	Industrial Cluster Development and Factory Establishment Act under the laws of Korea
“Initial Payment”	has the meaning ascribed thereto in the paragraph headed “Purchase Price” under the section headed “The Agreements” in this announcement
“Intermediate Payment(s)”	the First Intermediate Payment, the Second Intermediate Payment, the Third Intermediate Payment and/or the Fourth Intermediate Payment
“Knowledge Industry Center”	a multi-storey complex that may be occupied by multiple persons engaged in businesses related to manufacturing, knowledge, information and communications and support facilities as defined under the Industrial Cluster Act

“Korea”	the Republic of Korea
“Korea Trust”	Korea Trust Co., Ltd. [#] , being a company incorporated in Korea, and the vendor of the Properties and the trustee of the Properties of SK D&D
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Properties”	all 17 properties located at 12, 12-1, Dangsang-dong 1-ga, Yeongdeungpo-gu, Seoul, Korea with a total floor area of approximately 1,270.78 square metres
“Purchase Price”	an amount of KRW12,532,830,000 (equivalent to approximately HK\$78,957,000), being the purchase price of the Properties
“Remaining Balance”	has the meaning ascribed thereto in the paragraph headed “Purchase Price” under the section headed “The Agreements” in this announcement
“Second Intermediate Payment”	has the meaning ascribed thereto in the paragraph headed “Purchase Price” under the section headed “The Agreements” in this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SK D&D”	SK D&D Co., Ltd. [#] , being a company incorporated in Korea, the issued shares of which are listed on KOSPI of the Korea Exchange (stock code: 210980:KS), and the property developer of the Properties
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Taeyoung Engineering”	Taeyoung Engineering and Construction Co., Ltd. [#] , being a company incorporated in Korea, the issued shares of which are listed on KOSPI of the Korea Exchange (stock code: 009410:KS), and the construction company of the Properties
“Think Factory Industrial Cluster”	Think Factory Industrial Cluster to be erected on 12, 12-1, Dangsang-dong 1-ga, Yeongdeungpo-gu, Seoul, Korea, of which the Properties will form part
“Third Intermediate Payment”	has the meaning ascribed thereto in the paragraph headed “Purchase Price” under the section headed “The Agreements” in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“KRW”	Korean Won, the lawful currency of Korea
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, conversions of KRW into HK\$ is calculated at the approximate exchange rates of KRW1.00 to HK\$0.0063. These exchange rates are adopted for the purpose of illustration purpose only and do not constitute a representation that any amounts have been, could have been, or may be, exchanged at these rates or any other rates at all.

[#] *the English translation of Korean names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Korean names or words.*

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

Hong Kong, 10 August 2020

As at the date of this announcement, 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.

This announcement, for which the directors of 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 of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.futuredatagroup.com.