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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Future Data Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**FUTURE DATA**

## **FUTURE DATA GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8229)**

### **VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE ACQUISITION OF PROPERTIES IN KOREA AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Capitalised terms used on this cover page shall have the same meaning as those defined in this circular unless otherwise stated.

A notice convening the EGM to be held at Suite 1507-08, 15/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong on Friday, 4 December 2020 at 11:00 a.m. or any adjournment thereof is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. at or before 11:00 a.m. on Wednesday, 2 December 2020) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

#### **PRECAUTIONARY MEASURES FOR THE EGM**

Due to the on-going COVID-19 pandemic, to safeguard the health and safety of Shareholders, the Company will implement the following precautionary measures at the EGM:

- compulsory body temperature checks
- compulsory wearing of a surgical face mask for each attendee
- completion of a personal information form, which may be used for contact tracing
- no distribution of corporate gift nor provision of refreshment

Any person who does not comply with these precautionary measures may be denied entry into the EGM venue. Shareholders are reminded that, in order to avoid attending the meeting in person, they may appoint the chairman of the meeting as their proxy to vote on any resolutions at the EGM in accordance with the voting preferences indicated on the enclosed proxy form.

This circular together with the form of proxy will remain on the "Latest Listed Company Information" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of their publication and on the website of the Company at [www.futuredatagroup.com](http://www.futuredatagroup.com).

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“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
“Announcements”	the announcements of the Company dated 7 July 2020 and 10 August 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”	the extraordinary general meeting of the Company to be convened and held at Suite 1507-08, 15/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong on Friday, 4 December 2020 at 11:00 a.m. for the purpose of considering and, if thought fit, approving and ratifying 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 circular
“Fourth Intermediate Payment”	has the meaning ascribed thereto in the paragraph headed “Purchase price” under the section headed “The Agreements” in this circular

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## DEFINITIONS

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“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Incident”	has the meaning ascribed thereto in the section headed “GEM Listing Rules implications” in this circular
“Independent Third Party(ies)”	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 circular
“Intermediate Payment(s)”	the First Intermediate Payment, the Second Intermediate Payment, the Third Intermediate Payment and/or the Fourth Intermediate Payment (as the case may be)
“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. <sup>#</sup> , being a company incorporated in Korea, and the vendor and the trustee of the Properties of SK D&D

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## DEFINITIONS

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“KRW”	Korean Won, the lawful currency of Korea
“Latest Practicable Date”	9 November 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Ministry”	the Ministry of Trade, Industry and Energy of Korea
“PRC”	the People’s Republic of China which, for the purposes of this circular, 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 (including value-added tax) of the Properties
“Remaining Balance”	has the meaning ascribed thereto in the paragraph headed “Purchase price” under the section headed “The Agreements” in this circular
“Second Intermediate Payment”	has the meaning ascribed thereto in the paragraph headed “Purchase price” under the section headed “The Agreements” in this circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SK D&D”	SK D&D Co., Ltd. <sup>#</sup> , 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

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## DEFINITIONS

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“Taeyoung Engineering”	Taeyoung Engineering and Construction Co., Ltd. <sup>#</sup> , 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 circular
“%”	per cent.

*For the purpose of this circular, 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.*

<sup>#</sup> *the English translation of Korean names or words in this circular, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Korean names or words.*

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## LETTER FROM THE BOARD

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**FUTURE DATA**

**FUTURE DATA GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8229)**

*Executive Directors:*

Mr. Suh Seung Hyun (*Chairman*)  
Mr. Phung Nhuong Giang  
Mr. Lee Seung Han  
Mr. Ryoo Seong Ryul

*Independent non-executive Directors:*

Mr. Wong Sik Kei  
Mr. Sum Chun Ho  
Mr. Yung Kai Tai

*Registered office:*

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

*Head office and principal place of  
business in Korea:*

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

*Principal place of business in Hong Kong:*

Suite 1507-08, 15/F  
Two Chinachem Exchange Square  
338 King's Road  
North Point, Hong Kong

13 November 2020

*To the Shareholders*

Dear Sir or Madam,

**VERY SUBSTANTIAL ACQUISITION  
IN RELATION TO  
THE ACQUISITION OF PROPERTIES IN KOREA  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

References are made to the Announcements. Subsequent to the publication of the announcement of the Company dated 7 July 2020 in relation to, among other things, the Acquisition 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.



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further information on the Acquisition; (ii) the financial and general information of the Group; (iii) the unaudited pro forma financial information of the Group; and (iv) the independent property valuation report on the Properties, together with a notice convening the EGM.

### THE AGREEMENTS

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.

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 and the First Intermediate Payment of the Properties were accounted as deposit under current asset as at the Latest Practicable Date. 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.

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## LETTER FROM THE BOARD

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### 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) has been paid by Global Telecom on 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 notice.

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 notice.

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 as at the Latest Practicable Date, whereas the Initial Payment was financed by internal resources of the Group and the First Intermediate Payment was financed by bank borrowing in Korea.

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## LETTER FROM THE BOARD

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### **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, and pillar layout of each unit of the Properties. Taking into account of 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 circular, 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.

### **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.

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## LETTER FROM THE BOARD

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### 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, as at the Latest Practicable Date, 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 was still under construction as at the Latest Practicable Date. 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.

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## LETTER FROM THE BOARD

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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).

With reference to the valuation report on the Properties issued by an independent property valuer, the valuation of the Properties was approximately KRW11,547,570,000 (equivalent to approximately HK\$72,750,000) as at 31 August 2020, which was carried out based on market basis by the comparison approach assuming the real property has already been completed, sale with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Further details in relation to the independent property valuation report on the Properties are set out in Appendix III to this circular.

### **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 Announcements, in 2018, the Ministry 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.

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## LETTER FROM THE BOARD

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The Group plans to sell the Properties by the transfer of its status or rights under the Agreements. As at the Latest Practicable Date, 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.

Global Telecom has sought to obtain prior approval from Korea Trust, SK D&D and other parties in relation to the transfer of Global Telecom's status or rights under the Agreements to other third party(ies). Such prior approval has not been obtained as at the Latest Practicable Date. As such, the disposal(s) of the Property(ies) was not carried out in accordance with the original schedule as disclosed in the announcement of the Company dated 10 August 2020. As at the Latest Practicable Date, subject to further negotiations with SK D&D and other party(ies), SK D&D indicated that prior approval in respect of less than half of the Properties would be granted around the end of 2020 and prior approval in respect of the remaining Properties would be granted shortly before Closing.

As at the Latest Practicable Date, 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 terms of the Agreements (including the payment of the Initial Payment) and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECT OF THE ACQUISITION ON THE GROUP

	The Group as at 31 December 2019 before the Acquisition (Audited) HK\$'000	Unaudited pro forma adjustment HK\$'000	The Group as at 31 December 2019 immediately upon the Acquisition HK\$'000
Non-current assets	44,934	84,346	129,280
Current assets	255,657	(7,896)	247,761
Current liabilities	(168,601)	(76,450)	(245,051)
Non-current liabilities	(1,842)	–	(1,842)
	<hr/>		<hr/>
Net assets	130,148		130,148
	<hr/> <hr/>		<hr/> <hr/>

The Initial Payment was financed by internal resources of the Group and the First Intermediate Payment was financed by bank borrowing in Korea. 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 as at the Latest Practicable Date.

### 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 with Rules 19.34 and 19.49 of the GEM Listing Rules at the material time.

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## LETTER FROM THE BOARD

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### REMEDIAL ACTIONS

In order to prevent occurrence of similar incidents in the future, the Company has/would implement(ed) the following remedial measures and actions:

- (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 has re-circulated 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 has re-circulated 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 possible notifiable and connected transactions.

### EGM

A notice convening the EGM to be held at Suite 1507-08, 15/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong on Friday, 4 December 2020 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular for the purpose of considering and, if thought fit, approving and ratifying, among other things, the Agreements and the transactions contemplated thereunder.

Pursuant to the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.



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## LETTER FROM THE BOARD

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A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.futuredatagroup.com](http://www.futuredatagroup.com)). Whether or not you are able to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. at or before 11:00 a.m. on Wednesday, 2 December 2020) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it/he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his Shares to a third party, either generally or on a case-by-case basis.

To the best knowledge, information and belief of the Directors, having making all reasonable enquiries, no Shareholders have a material interest in the Acquisition and therefore required to abstain from voting at the EGM.

### RECOMMENDATION

The Board considers that the terms of the Agreements and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution as set out in the notice of the EGM to approve the Agreements and the transactions contemplated thereunder.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Future Data Group Limited**  
**Suh Seung Hyun**  
*Chairman*

**1. FINANCIAL SUMMARY**

The financial information of the Group for each of the three financial years ended 31 December 2017, 2018 and 2019, the three months ended 31 March 2020, the six months ended 30 June 2020 and the nine months ended 30 September 2020 are set out in the following documents which have been published on both the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at [www.futuredatagroup.com](http://www.futuredatagroup.com):

- the annual report of the Company for the year ended 31 December 2017 published on 27 March 2018 (pages 45 to 127) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2018/0327/gln20180327097.pdf>);
- the annual report of the Company for the year ended 31 December 2018 published on 28 March 2019 (pages 49 to 155) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2019/0328/gln20190328301.pdf>);
- the annual report of the Company for the year ended 31 December 2019 published on 31 March 2020 (pages 49 to 144) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0331/2020033101172.pdf>);
- the first quarterly report of the Company for the three months ended 31 March 2020 published on 14 May 2020 (pages 5 to 12) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0514/2020051400517.pdf>);
- the interim report of the Company for the six months ended 30 June 2020 published on 13 August 2020 (pages 5 to 20) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0813/2020081300676.pdf>); and
- the announcement of third quarterly results for the nine months ended 30 September 2020 (pages 2 to 14) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2020/1106/2020110601101.pdf>).

**2. STATEMENT OF INDEBTEDNESS**

At the close of the business on 30 September 2020, being the latest practicable date prior of this circular and for the purpose of ascertaining the information contained in this statement of the indebtedness, the Group had outstanding indebtedness as follows:

	<b>As at 30 September 2020</b> <i>HK\$'000</i> (Unaudited)
<b>Current liabilities</b>	
Lease liabilities	1,899
Bank borrowings	21,979
	<hr/>
	23,878
<b>Non-current liabilities</b>	
Lease liabilities	1,751
	<hr/>
	25,629
	<hr/> <hr/>

As at 30 September 2020 for the purpose of this indebtedness statement, our Group's indebtedness consisted of lease liabilities of approximately HK\$3.7 million and bank borrowings of approximately HK\$22.0 million. There are no material covenants relating to our Group's outstanding debts.

As at 30 September 2020, our Group had total available banking facilities of approximately HK\$64.7 million, of which approximately HK\$22.0 million was utilised and approximately HK\$42.7 million was unrestricted and unutilised. We have not experienced any difficulty in obtaining bank borrowings to finance our operations as at the Latest Practical Date.

Our Directors confirmed that there was no material default or breach of any material covenants up to the Latest Practicable Date.

**Bank borrowings**

Bank loans are carried at amortised cost.

Details of the bank loans denominated in US\$ are stated below:

	Amount	Interest rate	Repayable in
Bank A	US\$1,167,357	3-month LIBOR plus 0.5% per annum	April 2021
Bank B	US\$242,195	3-month LIBOR plus 2.07% per annum	July 2021
Bank C	US\$681,476	3-month LIBOR plus 1.30% per annum	September 2021
Bank D	US\$736,974	3-month LIBOR plus 1.73% per annum	April 2021

As at 30 September 2020, our Group's banking facilities are guaranteed by Korea Credit Guarantee Fund ("KCGF"), which is a public financial institution independent of our Group.

**Lease liabilities**

Our Group leases a number of properties and two motor vehicles in Korea and Hong Kong.

The future lease payments are due as follows:

	As at 30 September 2020 HK\$'000 (Unaudited)
Minimum lease payment due:	
Not later than one year	1,899
Later than one year and not more than two years	932
Later than two year and not more than five years	819
	<hr/>
<b>Present value of lease liabilities</b>	<b>3,650</b>
	<hr/> <hr/>

At the commencement date of a lease, our Group recognises and measures the lease liabilities at the present value of lease payments that are unpaid at that date. In calculating the present value of the lease payments, our Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Our current lease liabilities amounted to approximately HK\$1.9 million and our non-current lease liabilities amounted to approximately HK\$1.8 million as at 30 September 2020.

**Guarantees**

KCGF is a public financial institution established on 1 June 1976 under the provisions of the Korea Guarantee Fund Act. As stipulated in Article 1 of the Korea Guarantee Fund Act, the objective of KCGF is to lead the balanced development of the national economy by extending credit guarantees for the liabilities of promising small and medium enterprises which lack tangible collateral. In order to achieve such objective, KCGF performs (i) management of its fundamental property, (ii) credit guarantees and guarantee-linked investment, (iii) business administration guide, (iv) credit investigations and comprehensive management of credit information, (v) exercise of the right to indemnity, (vi) investigations and research of the credit guarantee system; and (vii) any business affair incidental to the affairs provided from (i) to (vi) and approved by the Financial Services Commission of Korea. To the best knowledge of our Directors, KCGF is an independent third party.

As at 30 September 2020, KCGF, which is a public financial institution independent of our Group, provided foreign and local currency guarantees in the amount of US\$288,000 and KRW400 million respectively to certain banks for import financing facilities and bank loans provided to Global Telecom.

**Disclaimers**

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 30 September 2020, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities.

To the best knowledge of the Directors, having made all reasonable enquiries, there has been no material change in indebtedness or contingent liabilities of the Group since 30 September 2020 and up to the Latest Practicable Date.

**3. WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds, the present bank and other facilities, the Group will have sufficient working capital for at least twelve months from the date of publication of this circular.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group as at 31 December 2019, being the date to which the latest published audited financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

As disclosed in the annual report of the Company for the year ended 31 December 2019, majority of the Group's revenue was derived from the provision of system integration solution services. Revenue from this segment increased by HK\$22.4 million or 4.9% to HK\$484.6 million for the year ended 31 December 2019 when compared to HK\$462.1 million for the year ended 31 December 2018. The increase was attributable to more new and larger scale projects awarded in 2019. These larger scale projects included National IT Industry Promotion Agency, Department of Defense in Republic of Korea and Korea Expressway. At the end of the reporting period, the Group possessed a backlog of system integration projects amounting to HK\$86.9 million.

Following the acquisition of Maximus Group Consulting Limited and its subsidiary, Maximus Consulting (Hong Kong) Limited, in June 2019, cyber security services business was classified separately from the maintenance services segment. For the year ended 31 December 2019, revenue of the Group generated from maintenance services was approximately HK\$136.9 million, representing an increase of approximately HK\$18.1 million or 15.2% when compared to the year ended 31 December 2018.

Cyber security services business was carried out by subsidiaries in Hong Kong. Affected by the political unrest in 2019, revenue from this segment increased slightly by HK\$0.8 million or 3.2% from HK\$24.2 million for the year ended 31 December 2018 to HK\$25.0 million for the year ended 31 December 2019 while the backlog of this segment as at year-end date was approximately HK\$17.5 million.

Suffering from the universal economic downturn, many corporates are struggling in this challenging business environment currently. The Group, nevertheless, won more businesses during this difficult period and generated a revenue of HK\$646.5 million for the year ended 31 December 2019. Undoubtedly, negative economic factors are affecting the financial results of the Group to certain extent, especially sales margin. The outbreak of novel coronavirus began in early 2020 hit economic activities further by disrupting regular operation. The negative impacts from financial panic in 2020 is unclear. The Group will adopt prudent strategy of rigid cost controls countering economic uncertainties during 2020.

**I. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP****1. INTRODUCTION**

The unaudited pro forma consolidated statement of assets and liabilities of the Group (the “Unaudited Pro Forma Financial Information”) has been prepared in accordance with Rule 7.31 of GEM Listing Rules and Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circular” issued by the Hong Kong Institute of Certified Public Accountants, for the purpose of illustrating the financial impact of the Acquisition on the consolidated financial position of the Group as if the Acquisition had been completed on 31 December 2019.

The basis of preparation of the Unaudited Pro Forma Financial Information of the Group is set out below:

- (a) The unaudited pro forma consolidated statement of financial position of the Group as set out in Appendix II-2 to II-3 to this circular of the Company dated 13 November 2020 (the “Circular”) has been prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2019 as extracted from the published annual report.
- (b) After taking into account of the unaudited pro forma adjustments, which are directly attributable to the Acquisition and factually supportable, as described in the notes thereto to demonstrate how the Acquisition might have affected the historical financial information of the Group as if the Acquisition had been completed on 31 December 2019.

The Unaudited Pro Forma Financial Information of the Group should be read in conjunction with other financial information included elsewhere in the Circular.

The Unaudited Pro Forma Financial Information of the Group has been prepared by the Directors of the Company based on a number of assumptions, estimate, uncertainties, currently available information and are prepared for illustrative purpose only. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the consolidated financial position of the Group that would have been attained had the Acquisition been completed on 31 December 2019.

2. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND  
LIABILITES OF THE GROUP

	The Group as at 31 December 2019 before the Acquisition (Audited) <i>HK\$'000</i> (Note 1)	Unaudited pro forma adjustment <i>HK\$'000</i> (Note 2)	The Group as at 31 December 2019 after the Acquisition (Unaudited) <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	6,715		6,715
Investment properties	–	84,346	84,346
Intangible assets	13,854		13,854
Goodwill	7,534		7,534
Other financial assets	5,000		5,000
Guarantee deposits	4,671		4,671
Deferred tax assets	7,160		7,160
	<hr/>		<hr/>
Total non-current assets	44,934		129,280
<b>Current assets</b>			
Inventories	9,729		9,729
Trade and other receivables	89,794		89,794
Contract assets	21,623		21,623
Prepayments	10,748		10,748
Pledged bank deposits	3,372		3,372
Fixed bank deposits	4,316		4,316
Cash and cash equivalents	116,075	(7,896)	108,179
	<hr/>		<hr/>
Total current assets	255,657		247,761



	The Group as at 31 December 2019 before the Acquisition (Audited) <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited pro forma adjustment <i>HK\$'000</i> <i>(Note 2)</i>	The Group as at 31 December 2019 after the Acquisition (Unaudited) <i>HK\$'000</i>
<b>Current liabilities</b>			
Trade and other payables	115,966		115,966
Contract liabilities	30,443		30,443
Lease liabilities	993		993
Bank borrowings	20,582	76,450	97,032
Tax payable	239		239
Deferred tax liabilities	378		378
	<u>168,601</u>		<u>245,051</u>
Total current liabilities			
Net current assets	<u>87,056</u>		<u>2,710</u>
Total assets less current liabilities	<u>131,990</u>		<u>131,990</u>
<b>Non-current liabilities</b>			
Lease liabilities	661		661
Defined benefit obligations	1,181		1,181
	<u>1,842</u>		<u>1,842</u>
Total non-current liabilities			
<b>Net assets</b>	<b><u><u>130,148</u></u></b>		<b><u><u>130,148</u></u></b>

**Notes to the Unaudited Pro Forma Financial Information of the Group:**

1. The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2019 in the published annual report of the Company for the year ended 31 December 2019.
2. The pro forma adjustment represents consideration of KRW12,532,830,000 (equivalent to approximately HK\$84,346,000) including value-added tax (the “VAT”) of KRW716,405,000 (equivalent to approximately HK\$4,821,000) payable in connection with the Acquisition, as if the Acquisition had been completed on 31 December 2019.

The consideration which is entirely cash is divided into: the Initial Payment, the Intermediate Payments and the Remaining Balance. The Group intends to satisfy the second intermediate payment, third intermediate payment and forth intermediate payment and the Remaining Balance by bank borrowings secured by the Properties to be obtained before date of occupancy (the “Date of Closing”) in Korea.

Pursuant to the sale and purchase agreements dated 14 May 2020, the consideration of KRW12,532,830,000 (equivalent to approximately HK\$84,346,000), shall be payable by Global Telecom in cash in the following manner:

- (i) the Initial Payment of KRW1,253,283,000 (equivalent to approximately HK\$7,896,000) including VAT of KRW71,640,500 (equivalent to approximately HK\$451,000) was paid by Global Telecom on 14 May 2020;
- (ii) the First Intermediate Payment of KRW1,253,283,000 (equivalent to approximately HK\$8,272,000) including VAT of KRW71,640,500 (equivalent to approximately HK\$473,000) was paid by Global Telecom on 13 October 2020;
- (iii) the Second Intermediate Payment of KRW1,253,283,000 (equivalent to approximately HK\$8,522,000) including VAT of KRW71,640,500 (equivalent to approximately HK\$487,000) (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\$8,522,000) including VAT of KRW71,640,500 (equivalent to approximately HK\$487,000) (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\$8,522,000) including VAT of KRW71,640,500 (equivalent to approximately HK\$487,000) (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\$42,612,000) including VAT of KRW358,202,000 (equivalent to approximately HK\$2,436,000) (subject to adjustment) shall be payable by Global Telecom on the Date of Closing.

The table below illustrates the breakdown of each of the amounts which form the pro forma adjustment:

	<b>Consideration (excluding VAT)</b> <i>HK\$'000</i>	<b>VAT</b> <i>HK\$'000</i>	<b>Total consideration (including VAT)</b> <i>HK\$'000</i>
Initial Payments	7,445	451	7,896
Intermediate Payments (the aggregate of amounts under (ii) to (v) above)	31,904	1,934	33,838
Remaining Balance	40,176	2,436	42,612
	<u>79,525</u>	<u>4,821</u>	<u>84,346</u>

	<b>Consideration (excluding VAT)</b> <i>HK\$'000</i>	<b>VAT</b> <i>HK\$'000</i>	<b>Total consideration (including VAT)</b> <i>HK\$'000</i>
Settled in cash out of the Group's internal resources and included in cash and cash equivalents	7,445	451	7,896
Settled and to be settled in cash by bank borrowings secured by the Properties to be obtained before Date of Closing	<u>72,080</u>	<u>4,370</u>	<u>76,450</u>
	<u><u>79,525</u></u>	<u><u>4,821</u></u>	<u><u>84,346</u></u>

The consideration of the Properties was determined with reference to the fair value of the Properties as at 31 August 2020 as appraised by BMI Appraisals Limited, which is an independent property valuer who holds recognised professional qualification and has relevant experience in the location and category of the properties being valued.

The Initial Payment and the First Intermediate Payment of the consideration from the Acquisition are converted from Korean Won into Hong Kong dollars at an exchange rate of KRW0.0063 to HK\$1.00 and KRW0.0066 to HK\$1.00 respectively which were the exchange rates published by the Hong Kong Monetary Authority (the “HKMA”) prevailing on 14 May 2020 and 13 October 2020 respectively. The Second Intermediate Payment, Third Intermediate Payment and Fourth Intermediate Payment and the Remaining Balance of the consideration from the Acquisition are converted from Korean Won into Hong Kong dollars at an exchange rate of KRW0.0068 to HK\$1.00, which was the exchange rate published by the HKMA on the Latest Practicable Date. No representation is made that Korean won amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

3. The directors of the Company confirm that the basis used in the preparation of the Unaudited Pro Forma Financial Information will be consistent with the accounting policies of the Group, including the principal accounting policies and assumptions relating to the Acquisition to be adopted in the consolidated financial statements of the Company after the completion of the Acquisition.
4. Apart from the Acquisition, no other adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or the disposal of the Properties prior to Date of Closing or other transactions of the Group entered into subsequent to 31 December 2019.

*The following is the text of a report received from the reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this circular.*



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## **II. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

### **To the directors of Future Data Group Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Future Data Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2019 and related notes as set out on pages II-2 to II-7 of Appendix II to the Company's Circular dated 13 November 2020 (the "Circular"), in connection with the Group's acquisition of properties in Korea (the "Acquisition"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are set out in Section I of Appendix II to the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Acquisition on the Group's consolidated financial position as at 31 December 2019 as if the Acquisition had taken place at 31 December 2019. As part of this process, information about the Group's consolidated financial position has been extracted by the directors of the Company from the audited consolidated statement of financial position of the Group as at 31 December 2019 included in the published annual report.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at respective earlier dates selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 31 December 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction, in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

**BDO Limited**

Certified Public Accountants  
Hong Kong

13 November 2020

*The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this circular received from BMI Appraisals Limited, an independent valuer, in connection with its valuation as at 31 August 2020 of the real property interest contracted to be acquired by the Group located in the Republic of Korea.*

## **BMI APPRAISALS**

BMI Appraisals Limited 中和邦盟評估有限公司

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香港灣仔港灣道6-8號瑞安中心27樓2701-2708室  
Tel 電話 : (852) 2593 9678 Fax 傳真 : (852) 2802 0863  
Email 電郵 : enquiry@bmintelligence.com Website 網址 : www.bmi-appraisals.com

13 November 2020

The Directors

### **Future Data Group Limited**

Suite 1507-08, 15<sup>th</sup> Floor  
Two Chinachem Exchange Square  
338 King's Road  
North Point, Hong Kong

Dear Sirs,

### **INSTRUCTIONS**

We refer to the instructions from Future Data Group Limited (the “Company”) for us to value the interest in a real property (the “real property” or “real property interest”) contracted to be acquired by the Company and/or its subsidiaries (together referred to as the “Group”) located in the Republic of Korea. We confirm that we have conducted an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the real property as if completed as at 31 August 2020 (the “valuation date”).

### **BASIS OF VALUATION**

Our valuation of the real property interest has been based on the Market Value, which is defined by The Hong Kong Institute of Surveyors as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. The Market Value is also understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

**VALUATION METHODOLOGY**

The market value of the real property as if completed represents our opinion of the aggregate selling prices of the real property assuming that it was completed as at the valuation date. In valuing the real property as if completed, we have assumed that the real property has already been completed according to the development scheme provided with all development costs fully paid. We have valued the real property on market basis by the Comparison Approach assuming sale with the benefit of vacant possession and by making reference to comparable sales information as available in the relevant market. Appropriate adjustments have been made to account for the differences between the real property and the comparables in terms of time, location, age, floor level and other relevant factors.

**TITLE INVESTIGATION**

We have been provided with copies of pre-sale agreements and have been advised by the Group that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copy handed to us. In the course of our valuation, we have relied upon the advice and information given by the Company's Korean legal advisor – LAB Partners regarding the title of the real property located in the Republic of Korea. All documents have been used for reference only.

**VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the real property as if completed is sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the value of the real property interest. In addition, no account has been taken of any option or right of pre-emption concerning or effecting sale of the real property interest and no forced sale situation in any manner is assumed in our valuation.

In valuing the real property interest, we have relied on the advice given by the Group that the owner of the real property interest has valid and enforceable title to the real property interest which is freely transferable, and has free and uninterrupted rights to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.

**VALUATION CONSIDERATIONS**

The real property was inspected by Mr. Sanghoon Shin (BA) on 13 September 2020. However, no tests or investigations are carried out to determine stability or suitability of ground conditions or factors, which could delay completion of a development on the real property such as archaeological artifacts, contamination, ecological or environmental considerations. Unless otherwise informed, we have assumed that the real property is sound and no delays will occur in a construction schedule due to considerations relating to the real property, and that the ground is not contaminated.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, site/floor areas, identification of the real property and any other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the site/floor areas in respect of the real property but have assumed that the site/floor areas shown on the documents handed to us are correct. Except otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the real property or for any expenses or taxation, which may be incurred in effecting a sale or purchase.

Unless otherwise stated, it is assumed that the real property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

Our valuation has been prepared in accordance with The HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors and the International Valuation Standards (IVS) published by The International Valuation Standards Council.

Our valuation has been prepared under the generally accepted valuation procedures and is in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

**REMARKS**

Unless otherwise stated, all money amounts stated herein are in Korean Won (KRW) and no allowance has been made for any exchange transfers.

Our Summary of Value and the Valuation Certificate are attached herewith.

Yours faithfully,  
For and on behalf of  
**BMI APPRAISALS LIMITED**  
**Dr. Tony C.H. Cheng**  
*BSc, MUD, MBA (Finance), MSc (Eng),  
PhD (Econ), FAIA, FIPA, SIFM, FCIM, MASCE,  
MHKIE, MHKIS, MIET,  
MIEEE, MASME, MISE*  
**Managing Director**

*Note:*

Dr. Tony C.H. Cheng is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 27 years' experience in valuations of real properties in Hong Kong as well as relevant experience in the Asia-Pacific region.

## SUMMARY OF VALUE

## Real property interest contracted to be acquired by the Group in the Republic of Korea

	<b>Market Value as if Completed as at 31 August 2020 KRW</b>
<b>Real property</b>	
17 industrial units of an industrial complex under construction known as “Think Factory Dangsan” to be erected on 12, 12-1, Dangsan-dong 1-ga, Yeongdeungpo-gu, Seoul, the Republic of Korea	<u>11,547,570,000<sup>Note</sup></u>
<b>Total:</b>	<b><u><u>11,547,570,000</u></u></b>

*Note:*

We have valued the real property as if completed on the assumption that the real property was completed as at the valuation date according to the development scheme provided.

## VALUATION CERTIFICATE

## Real property interest contracted to be acquired by the Group in the Republic of Korea

Real property	Description and tenure	Particulars of occupancy	Market Value as if completed as at 31 August 2020 KRW
17 industrial units of an industrial complex under construction known as “Think Factory Dangsán” to be erected on 12, 12-1, Dangsán-dong 1-ga, Yeongdeungpo-gu, Seoul, the Republic of Korea	<p>The development known as “Think Factory Dangsán”, within which the real property is situated, is under construction on 2 land parcels (the “Lots”) with a total site area of approximately 14,050.9 sq.m. Upon completion, it will be a 15-storey industrial complex plus a 4-storey basement with a total planned gross floor area of approximately 99,944 sq.m.</p> <p>The real property comprises 16 industrial units on 13<sup>th</sup> Floor and 1 industrial unit on Basement Level 1 of the development under construction with a total planned exclusive use area of approximately 1,270.78 sq.m.</p> <p>As advised by the Group, the construction works of the development commenced in May 2020 and are scheduled to be completed in about October 2022.</p> <p>The real property is held under freehold land.</p>	The real property is under construction.	<p>11,547,570,000</p> <p>(On the assumption that the real property was completed according to the development scheme provided as at the valuation date)</p>

*Notes:*

1. The real property is located in Yeongdeungpo-gu of Seoul, which is about 60 minutes' driving distance to Incheon International Airport. The immediate locality is a semi-industrial area.
2. Pursuant to 17 Parceling-out Agreements (the "Agreements") dated 14 May 2020 entered into amongst Global Telecom Co., Ltd. (the "purchaser"), Korea Trust Co., Ltd. (the "vendor" and "trustee of the real property"), SK D&D Co., Ltd. (the "property developer") and Taeyoung Engineering and Construction Co., Ltd. (the "construction company"), the real property with a total exclusive use area of approximately 1,270.78 sq.m. were pre-sold to the purchaser at a total consideration of KRW11,816,424,300 plus VAT of KRW716,405,700.
3. In valuing the real property, we have assumed that the real property has been developed and completed in accordance with the latest development proposal provided to us and all relevant development costs to complete the development have been fully paid as at the valuation date.
4. As advised by the Group, no estimated construction cost to complete the real property can be provided.
5. In the course of our valuation, we have assumed that the real property was completed as at the valuation date and can be disposed of freely in the market.
6. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality having similar characteristics to the real property. The selected comparables are industrial units of newly completed knowledge industrial buildings completed between 2012 and 2019 located in the area close to the real property with similar usages and building condition and were transacted/listed between May and August 2020. The unit rates of these sale information range from about KRW7,280,000 to KRW9,570,000 per sq.m.

Details of the comparable properties are shown as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Development Name	Triplex	SK V1 Center Dangsang	SK V1 Center Dangsang	KnK Digital Tower	KnK Digital Tower	SK V1 Center Dangsang	Ace High-tech 3rd
Development Scale	Single tower industrial building	Industrial complex with 2 industrial towers	Industrial complex with 2 industrial towers	Single tower industrial building	Single tower industrial building	Industrial complex with 2 industrial towers	Single tower industrial building
Completion Year	2017	2015	2015	2012	2012	2015	2019
Exclusive use area (sq.m.)	82.41	54.9	78.3	133.24	141.66	89.88	192.46
Floor Level	6	12	19	6	8	10	2



	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Date of Transaction/ Listing	21 July 2020	4 May 2020	6 July 2020	28 May 2020	26 June 2020	18 August 2020	3 August 2020
Transaction/Asking Price (KRW)	600,000,000	470,000,000	695,000,000	1,015,000,000	1,060,000,000	860,000,000	1,736,800,000
Unit Rate on Exclusive use area (per sq.m.)	7,280,670	8,561,020	8,876,117	7,617,832	7,482,705	9,568,313	9,024,213
Comparable Selection Criteria	We selected these comparables based on the considerations that their locations are within Yeongdeungpo-gu, the transaction/listing dates are close to the valuation date and the usages are similar to the real property. Based on the selection criteria stated herein, we have provided an exhaustive comparable list.						

Appropriate adjustments have been made to account for the differences between the real property and the comparables in terms of age, floor level, size and other relevant factors to arrive at an average unit rate for the real property. Details of adjustment considerations are shown as follows:

**Adjustment Factors**

**Valuation Considerations**

Age	Generally a newer building can fetch a higher value in the market given its better physical condition. Therefore, according to the building ages of the comparable developments, an adjustment of 1% per 1 year difference in building age has been adopted.
Floor Level	Unit on higher floor levels can fetch higher unit rates as there is relatively higher extent of ventilation as well as higher degree of privacy. 1% adjustment is adopted for each floor level difference.
Size	Adjustments have been made to reflect the difference in size between the real property and the comparables, a unit with smaller size usually fetches a higher unit rate. 1% adjustment is adopted for every 50 sq.m. difference in size of the exclusive use area.
Development Scale	Industrial unit within a large-scale development enjoys better ancillary facilities can fetch a higher unit rate. Adjustments have been made to reflect the difference of development scale between the real property and the comparables.
Asking Price	Adjustments have been made to reflect the room for bargaining of asking prices.

- For reference purpose, we are of the opinion that there should be no material change in the value of the real property between 14 May 2020 and the valuation date.

8. The opinion of the Korean legal advisor to the Group contains, inter alia, the following:
  - a. The registered owner of the Lots is Korea Trust Co., Ltd. vide Memorial No. 79421 dated 31 March 2020;
  - b. Korea Trust Co., Ltd. as the owner of the Lots enjoys the legal rights to occupy, use, transfer, lease and dispose of the Lots; and
  - c. The Agreements are legally valid, binding and enforceable on each of the parties thereto in accordance with their respective terms in the Agreements.
  
9. Global Telecom Co., Ltd. is a wholly-owned subsidiary of the Group.

Set out below is the management discussion and analysis on the Group for the six months ended 30 June 2020.

### Business review

The Company posted revenue for the three months ended 30 June 2020 of HK\$150.5 million, a sequential increase of HK\$36.8 million or 32.3% from the three months ended 31 March 2020. As a result, revenue for the six months ended 30 June 2020 stood at HK\$264.2 million, an increase of HK\$31.5 million or 13.5%, from the year-ago period. Below is our revenue analysis for the six months ended 30 June 2020:

- The double-digit increase in revenue for the six months ended 30 June 2020 was due to contribution from both Korea and Hong Kong operations. Korea operations contributed HK\$252.8 million in revenue for the six months ended 30 June 2020, which is HK\$30.2 million or 13.6% increase compared to HK\$222.6 million a year ago. During the same period, Hong Kong operations contributed HK\$11.4 million in revenue, which is 12.6% increase compared to HK\$10.1 million a year ago.
- We also saw record increase in revenue contribution from system integration, cyber security service and maintenance services. Specifically, system integration posted HK\$178.5 million in revenue, which is HK\$19.0 million or 11.9% higher; cyber security services recorded HK\$11.4 million, which is 12.6% higher; and maintenance services delivered HK\$74.3 million in revenue, which is HK\$11.2 million or 17.7% higher for the six months ended 30 June 2020 relative to that of year-ago period.
- Public sector contributed HK\$114.5 million in revenue, which is HK\$17.6 million or 18.1% increase; and private sector contributed HK\$149.7 million in revenue, which is HK\$13.9 million or 10.2% increase in June Interim 2020 as compared to year-ago period.
- The increase in revenue has been driven by strong demand for online activities in the Korea's market. As announced in first quarterly report this year, we have received a contract of KRW 3.2 billion (HK\$20.9 million) from a media foundation, a contract of KRW2.3 billion (HK\$15.0 million) from a Korean bank, and undisclosed amount being first 5G mobile contract win from a Korea's leading mobile operator. In the second quarter in 2020, we won a KRW1.4 billion (HK\$9.1 million) contract from e-commerce arm of Korea's leading mobile operator, a KRW1.0 billion (HK\$6.5 million) contract from Korea's top search engine company, and a HK\$31.2 million contract from Korea's largest messaging app company.

Gross profit of second quarter in 2020 surged to HK\$21.9 million from HK\$9.6 million recorded in first quarter in 2020, representing a 128.5% increase quarter-by-quarter. This is the Company's best gross profit quarter so far. This lifted first half's gross profit by 13.1% to HK\$31.5 million from HK\$27.9 million a year ago.

In second quarter in 2020, we were able to lower selling and administrative expenses by HK\$2.9 million sequentially, from HK\$18.7 million in first quarter in 2020 to HK\$15.8 million as shown on the above presentation. This shows that our management team was able to control expenses while delivering higher revenue for the Company. This causes the decrease of selling and administrative expenses for the six months ended 30 June 2020 by HK\$5.6 million or 14.0% to HK\$34.5 million as compared to that of last year. The lower expenses were attributable to executive and staff cost control as well as lesser provision for impairment of trade receivables. Notably, we have reduced executive management salaries of the Group by 30% at the beginning of this year as a prudent measure against economic downturn as a result of the current pandemic.

As a result of the 128.5% surge in gross profit and 15.5% drop in selling and administrative expenses, our profit before tax of second quarter in 2020 made a historical record at HK\$6.3 million, showing a 170.0% reversal of a loss before tax of HK\$9.0 million in first quarter in 2020. As a result of this excellent performance in second quarter in 2020, we were able to narrow down the first half loss before tax to HK\$2.7 million.

After a provision of HK\$1.9 million for tax expenses, the Company posted profit before tax of HK\$4.4 million for the three months ended 30 June 2020, an reversal of HK\$13.0 million, from loss position for the three months ended 31 March 2020. As a result, our loss after tax is narrowed down to HK\$4.2 million for the six months ended 30 June 2020.

### **Liquidity, financial resources and capital structure**

As at 30 June 2020, the Group's net current assets were HK\$79.3 million showing a strong liquidity.

As at 30 June 2020, the Group recorded cash and cash equivalents of approximately HK\$60.8 million (as at 31 December 2019: approximately HK\$116.1 million), which included approximately KRW8,906.1 million, HK\$1.9 million, US\$0.3 million and small amount of Singapore dollars.

As at 30 June 2020, the Group had variable rate bank borrowings of approximately US\$3.6 million, which was equivalent to approximately HK\$27.9 million (as at 31 December 2019: approximately HK\$20.6 million). Certain banking borrowings are guaranteed by KCGF which is a public financial institution independent of the Group.

**Gearing ratio**

The Group expresses its gearing ratio as a percentage of total debt over total equity. As at 30 June 2020, the gearing ratio was 23.0% (as at 31 December 2019: 17.1%). The increase was mainly due to additional bank borrowings of approximately HK\$7.3 million. The liquidity ratio, represented by a ratio of current assets over current liabilities, was 1.65 times (as at 31 December 2019: 1.5 times), reflecting the sufficiency of financial resources.

**Significant investment, material acquisitions and disposals**

On 14 May 2020, Global Telecom entered into the Agreements with Korea Trust, SK D&D and Taeyoung Engineering to purchase seventeen properties located at Seoul, Korea for a total purchase price of KRW12,532,830,000 (equivalent to approximately HK\$79.0 million as at the date of transaction). As at 30 September 2020, Global Telecom has paid an initial payment of KRW1,253,283,000 represented 10% of total purchase amount. Details of this transaction were disclosed in our disclosable transaction announcement and a supplementary announcement dated 7 July 2020 and 10 August 2020.

The Group did not have other material investments and capital assets for the six months ended 30 June 2020.

The carrying amount of the Group's unlisted equity securities as at 30 June 2020 accounted for approximately 1.8% of the Group's total assets and is not significant. The unlisted equity securities mainly represent the investment in Korea Software Financial Cooperative ("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 June 2020 as well.

Save for the Acquisition, the Group had not made any material acquisition or disposal for the six months ended 30 June 2020.

**Segment information**

System integration business segment has been growing during the reporting period from which generated a revenue of HK\$178.5 million for the six months ended 30 June 2020, recorded an increase by HK\$19.0 million or 11.9% compared to the same corresponding period in last year. The increase was attributable to deployment of few sizable projects in our Korea operation. Revenue generated from maintenance services segment has increased by HK\$11.2 million from HK\$63.1 million for the six months ended 30 June 2019 to HK\$74.3 million for the six months ended 30 June 2020 resulting from the increase in number of maintenance contracts.

Cyber security services segment has recorded a slight increase in revenue during the reporting period. Compared to HK\$10.1 million for the six months ended 30 June 2019, revenue from this segment increased by HK\$1.3 million or 12.6% to HK\$11.4 million for the six months ended 30 June 2020, showing continuing growth since our acquisition of subsidiaries made last year.

**Charges on Group's assets**

Fixed deposits were pledged to KSFC for bidding, contract, defect, prepayment and payment guarantees provided by KSFC on behalf of the Group has been released during the six months ended 30 June 2020. Following the release, none of the Group's assets were charged as at 30 June 2020.

**Contingent liability**

As at 30 June 2020, the Group did not have any significant contingent liabilities.

**Capital commitment**

As at 30 June 2020, the Group has outstanding capital commitments of KRW11,279,547,000 (equivalent to approximately HK\$72.7 million) mainly related to the agreement entered for properties purchase in Korea which is not provided for in the Group's financial statements.

**Exposure on foreign currency fluctuation**

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. During the six months period of 2020, we experienced an unfavourable foreign exchange movement, and hence, recorded an increase in cost of goods sold.

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

**Employees and remuneration policy**

As at 30 June 2020, the Group had an aggregate of 219 (30 June 2019: 196) employees. Such increase represented the recruitment of more engineers to support sizeable projects in Korea.

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\$43.6 million for the six months ended 30 June 2020 (six months ended 30 June 2019: approximately HK\$43.3 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 June 2020, 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.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO held by the Directors and chief executive 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 Rules 5.46 to 5.47 of the GEM Listing Rules are as follows:

#### *Long positions in the Shares and the underlying Shares*

Name of Director	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding in the Company (Note 4)
Mr. Phung Nhuong Giang ("Mr. Phung") (Notes 1, 2 and 3)	Interest held jointly with other persons/Interest in controlled corporation/Interest of spouse	262,917,327	65.73%
Mr. Suh Seung Hyun ("Mr. Suh") (Notes 1 and 2)	Interest held jointly with other persons/Interest in controlled corporation	262,917,327	65.73%
Mr. Lee Seung Han ("Mr. Lee") (Notes 1 and 2)	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 approximately 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 approximately 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 the Latest Practicable Date (i.e. 400,000,000 Shares).

Save as disclosed above, as at the Latest Practicable Date, 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 Rules 5.46 to 5.67 of the GEM Listing Rules.

**(b) Interests of substantial Shareholders**

So far as known to the Directors, as at the Latest Practicable Date, 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 and the underlying Shares*

Name of Shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding in the Company (Note 8)
LiquidTech (Note 1)	Beneficial owner	262,917,327	65.73%
AMS (Notes 1, 2 and 3)	Interest in controlled corporation	262,917,327	65.73%
Mr. Park (Notes 2 and 3)	Interest held jointly with other persons/Interest in controlled corporation	262,917,327	65.73%
Ms. Marilyn Tang (Notes 2, 3 and 4)	Interest held jointly with other persons/Interest in controlled corporation/Interest of spouse	262,917,327	65.73%
Ms. Lee Kim Sinae (Notes 2, 3 and 5)	Interest of spouse	262,917,327	65.73%
Ms. Suh Kim Seong Ock (Notes 2, 3 and 6)	Interest of spouse	262,917,327	65.73%
Ms. Shin Hee Kum (Notes 2, 3 and 7)	Interest of spouse	262,917,327	65.73%

*Notes:*

- (1) LiquidTech is wholly-owned by AMS. AMS is deemed to be interested in all the Shares in which LiquidTech is interested under Part XV of the SFO.
- (2) AMS is owned as to approximately 26.14% by Mr. Phung, 25.34% by Mr. Suh, 14.71% by Mr. Lee, 14.03% by Mr. Park, 14.03% by Mr. Lee Sung Gue, 3.40% by Mr. Lee Je Eun and 2.35% by Ms. Marilyn Tang.

- (3) On 21 June 2016, four of the ultimate controlling shareholders of the Company, namely, Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park, entered into the acting in concert confirmation and undertaking to acknowledge and confirm, among other things, that they were parties acting in concert of each of the members of the Group. As such, Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park together control approximately 65.73% interest in the share capital of the Company through AMS and LiquidTech. As a result, each of Mr. Phung, Mr. Suh, Mr. Lee and Mr. Park is deemed to be interested in approximately 65.73% interest in the share capital of the Company.
- (4) Ms. Marilyn Tang is the owner of approximately 2.35% of the issued shares of AMS and the spouse of Mr. Phung. Ms. Marilyn Tang is deemed to be interested in all the Shares in which Mr. Phung is interested under Part XV of the SFO.
- (5) Ms. Lee Kim Sinae is the spouse of Mr. Lee. Ms. Lee Kim Sinae is deemed to be interested in all the Shares in which Mr. Lee is interested under Part XV of the SFO.
- (6) Ms. Suh Kim Seong Ock is the spouse of Mr. Suh. Ms. Suh Kim Seong Ock is deemed to be interested in all the Shares in which Mr. Suh is interested under Part XV of the SFO.
- (7) Ms. Shin Hee Kum is the spouse of Mr. Park. Ms. Shin Hee Kum is deemed to be interested in all the Shares in which Mr. Park is interested under Part XV of the SFO.
- (8) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at the Latest Practicable Date (i.e. 400,000,000 Shares).

Save as disclosed above, as at the Latest Practicable Date, 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.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of any compensation (other than statutory compensation).

### **4. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or controlling Shareholder or any of their respective close associates (as defined in the GEM Listing Rules) has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

## 5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 6. INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2019, the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the deed of settlement dated 26 March 2019 entered into between LiquidTech, AMS, Mr. Phung, Mr. Suh, Mr. Lee, Mr. Park and Ms. Marilyn Tang (the “**Controlling Shareholders**”) and the Company (for itself and as trustee of its subsidiaries), pursuant to which the Controlling Shareholders shall pay a settlement sum in the amount of HK\$6,022,916 to the Company for the settlement of any claim against Controlling Shareholders in relation to the tax payment of KRW842,202,990 (equivalent to HK\$5,873,641) paid to the Korea Tax Authority by SuperChips Limited (a direct wholly-owned subsidiary of the Company);

- (b) the share purchase and subscription agreement dated 2 April 2019 and entered into among Future Data Limited (a wholly-owned subsidiary of the Company) as the purchaser, Maximus Venture Holdings Limited as the vendor, Maximus Group Consulting Limited as the target company and Mr. Chung Pui Nam Roger as covenant, pursuant to which (i) Future Data Limited agreed to acquire and Maximus Venture Holdings Limited agreed to sell 24,000 shares in Maximus Group Consulting Limited (representing approximately 32.43% of the entire issued share capital therein upon closing) at the consideration of up to HK\$6,000,000; and (ii) Future Data Limited agreed to subscribe and Maximus Group Consulting Limited agreed to allot and issue 24,000 shares in Maximus Group Consulting Limited (representing approximately 32.43% of the entire issued share capital therein upon closing) at the consideration of HK\$6,000,000;
- (c) the Agreements; and
- (d) the loan agreement dated 15 October 2020 and entered into between Global Telecom as lender and AMS as borrower in relation to the provision of a loan facility in the amount of US\$1,150,000 for a term of two years at an interest rate of 6.9% per annum.

## 8. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Company comprises three independent non-executive Directors, namely Mr. Sum Chun Ho, Mr. Wong Sik Kei and Mr. Yung Kai Tai. The main duties of the audit committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems and the internal audit function, audit plan and relationship with external auditors.

**Mr. Sum Chun Ho (“Mr. Sum”)**, aged 49, was appointed as an independent non-executive Director on 2 November 2016 and is the chairman of the audit committee. Mr. Sum has over 23 years of experience in the field of professional accounting services. Mr. Sum obtained a master’s degree in accounting from Monash University, and is a member of Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Mr. Sum is currently the sole proprietor of C. H. Sum & Co., a firm of certified public accountants.

**Mr. Wong Sik Kei (“Mr. Wong”)**, aged 72, was appointed as an independent non-executive Director on 21 June 2016 and is the chairman of the remuneration committee. Mr. Wong obtained a bachelor’s degree in engineering from The University of Hong Kong in October 1971. Mr. Wong also obtained a Master of Philosophy in October 1977 and a Master of Social Sciences in November 1980 from The University of Hong Kong. Mr. Wong joined the Hong Kong government as an assistant telecommunications engineer of the Post Office of Hong Kong in September 1974. Mr. Wong was subsequently promoted to telecommunications engineer in September 1978, senior telecommunications engineer in July 1980, chief telecommunications engineer in June 1984 and assistant postmaster general in July 1988. In March 1994, Mr. Wong was appointed as a senior assistant director of telecommunications in the Office of the Telecommunications Authority of Hong Kong. Mr. Wong served as the director general of the Office of Telecommunications Authority from April 1997 to August 2003. In August 2003, Mr. Wong joined the Innovation and Technology Department of the Hong Kong government in capacity of Commissioner. Mr. Wong officially retired from the Hong Kong government in November 2007. Mr. Wong has been an independent non-executive director of ETS Group Limited (stock code: 8031), the issued shares of which are listed on GEM, since December 2011.

**Mr. Yung Kai Tai (“Mr. Yung”)**, aged 69, was appointed as an independent non-executive Director on 15 June 2017 and is the chairman of the nomination committee. Mr. Yung obtained a Bachelor of Science degree majoring in Physics and minoring in Electronics and a Master of Business Administration, both from the Chinese University of Hong Kong, in October 1973 and October 1986, respectively. Mr. Yung also completed a Harvard Business School Executive Education in July 1997. Mr. Yung has extensive knowledge and 35 years’ experience in the information and communication technology industry. Mr. Yung joined the Hong Kong Productivity Council in March 1983 and has over 29 years of working experience in the organization. Before his retirement in April 2011, Mr. Yung was the general manager of the Hong Kong Productivity Council, responsible for the development of the information and communication technology industry in Hong Kong. Mr. Yung has once acted as the chairman of the Hong Kong Game Industry Association, the vice president of the Hong Kong Software Industry Association and the vice president of the Hong Kong Association for Advancement of Science and Technology. Mr. Yung was also elected as distinguished fellow of the Hong Kong Computer Society and member of the first three Election Committees of the Hong Kong Special Administrative Region. Mr. Yung is an independent non-executive director of Gameone Holdings Limited (stock code: 8282), the issued shares of which are listed on GEM. From 1 February 2013 to 30 June 2016, Mr. Yung was an independent non-executive director of ETS Group Limited (stock code: 8031), the issued shares of which are listed on GEM.

## 9. QUALIFICATION AND CONSENT OF EXPERTS

The following are the qualification of the experts who have given opinions, letter or advice included in this circular (collectively, the “**Experts**”):

<b>Name</b>	<b>Qualification</b>
BDO Limited	Certified public accountants
BMI Appraisals Limited	Independent property valuer

As at the Latest Practicable Date, each of the Experts has given and has not withdrawn their respective written consents to the issue of this circular with the inclusion herein of their respective letters/reports or their respective names in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the Experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2019, being the date to which the latest published audited financial statements of the Company were made up.

## 10. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Korea is Unit 801-809, 822, Mullae SK V1 Center 10, Seonyu-ro 9-gil, Yeongdeungpo-gu, Seoul, Korea. The principal place of business of the Company in Hong Kong is Suite 1507-08, 15/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong.
- (c) The branch share registrar and transfer office in Hong Kong of the Company is Tricor Investor Services Limited located at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) The company secretary of the Company is Ms. Chan Suet Lam, who has also been appointed as the authorised representative of the Company.
- (e) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

**11. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Suite 1507-08, 15/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2017, 2018 and 2019;
- (c) the first quarterly report of the Company for the three months ended 31 March 2020;
- (d) the interim report of the Company for the six months ended 30 June 2020;
- (e) the accountants' report on the unaudited pro forma consolidated statement of assets and liabilities of the Group, the text of which is set out in Appendix II to this circular;
- (f) the valuation report on the Properties issued by BMI Appraisals Limited, the text of which is set out in Appendix III to this circular;
- (g) the material contracts referred to in the paragraph headed "7. Material Contracts" of this appendix;
- (h) the written consents referred to in paragraph headed "9. Qualification and consent of Experts" of this appendix; and
- (i) this circular.



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## NOTICE OF EGM

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**FUTURE DATA**

### **FUTURE DATA GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8229)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Future Data Group Limited (the “**Company**”) will be held at Suite 1507-08, 15/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong on Friday, 4 December 2020 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution:

#### **ORDINARY RESOLUTION**

**“THAT**

- (a) the 17 agreements dated 14 May 2020 (the “**Agreements**”) (copies of which have been tabled at the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) entered into amongst Global Telecom Co., Ltd. (as purchaser), a wholly-owned subsidiary of the Company, Korea Trust Co., Ltd. (as vendor and trustee of the Properties (as defined below) of SK D&D Co., Ltd.), SK D&D Co., Ltd. (as property developer) and Taeyoung Engineering and Construction Co., Ltd. (as construction company) in relation to the sale and purchase 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 “**Properties**”) for a total purchase price of KRW12,532,830,000 and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to do all such further acts and things, to sign and execute all such further documents (including under seal, where applicable) and take all steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the Agreements and the transactions contemplated thereunder, and to approve any changes and amendments thereto as he/she may consider to be necessary, desirable or expedient and in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 13 November 2020

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## NOTICE OF EGM

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*Registered office*

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

*Principal place of business in Hong Kong:*

Suite 1507-08, 15/F  
Two Chinachem Exchange Square  
338 King's Road  
North Point, Hong Kong

*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

*Notes:*

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Company’s articles of association. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the GEM Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint more than one proxy (who must be an individual) to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (i.e. at or before 11:00 a.m. on Wednesday, 2 December 2020) or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 1 December 2020 to Friday, 4 December 2020, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the extraordinary general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 30 November 2020.