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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

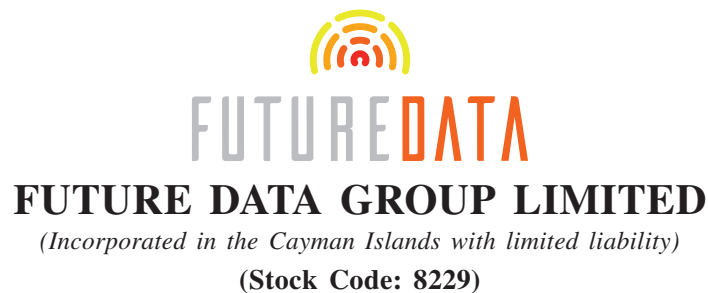
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Future Data Group Limited, you should at once hand this circular 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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### **MAJOR TRANSACTIONS IN RELATION TO THE DISPOSALS OF PROPERTIES IN KOREA**

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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 letter from the Board is set out on pages 5 to 16 of this circular.

Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written shareholder's approval for each of the LeeHan Disposals and i-Cloud Disposals has been obtained from LiquidTech, a controlling shareholder of the Company directly holding approximately 65.73% of the issued share capital of the Company as at the date of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements and the Latest Practicable Date. No general meeting will be convened for approving each of the LeeHan Disposal Agreements and i-Cloud Disposal Agreements and the transactions contemplated thereunder respectively and this circular is despatched to the Shareholders for information only.

This circular 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).

25 January 2021

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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
“Announcement”	the announcement of the Company dated 8 December 2020 in relation to, among other things, each of the LeeHan Disposals and the i-Cloud Disposals
“Board”	board of Directors
“Circular”	the circular of the Company dated 13 November 2020 in relation to, among other things, the Acquisition
“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
“controlling shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposals”	collectively, the LeeHan Disposals and the i-Cloud Disposals
“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

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“i-Cloud”	i-Cloud Co, Ltd. <sup>#</sup> , being a company incorporated in Korea with limited liability
“i-Cloud Acquisition Agreements”	the three agreements dated 8 December 2020 and entered into amongst i-Cloud (as purchaser), Korea Trust (as vendor and trustee of Properties B of SK D&D), SK D&D (as property developer) and Taeyoung Engineering (as construction company) in respect of the acquisition of Properties B
“i-Cloud Disposal Agreements”	the three agreements dated 8 December 2020 and entered into between Global Telecom (as seller) and i-Cloud (as purchaser) in relation to the i-Cloud Disposals
“i-Cloud Disposals”	the transfer of all of Global Telecom’s rights and obligations under the relevant Agreements in respect of Properties B to i-Cloud pursuant to the terms and conditions of the i-Cloud Disposal Agreements
“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
“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”	21 January 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“LeeHan”	LeeHanNS Co., Ltd. <sup>#</sup> , being a company incorporated in Korea with limited liability
“LeeHan Acquisition Agreements”	the three agreements dated 8 December 2020 and entered into amongst LeeHan (as purchaser), Korea Trust (as vendor and trustee of Properties A of SK D&D), SK D&D (as property developer) and Taeyoung Engineering (as construction company) in respect of the acquisition of Properties A
“LeeHan Disposal Agreements”	the three agreements dated 8 December 2020 and entered into between Global Telecom (as seller) and LeeHan (as purchaser) in relation to the LeeHan Disposals
“LeeHan Disposals”	the transfer of all of Global Telecom’s rights and obligations under the relevant Agreements in respect of Properties A to LeeHan pursuant to the terms and conditions of the LeeHan Disposal Agreements
“LiquidTech”	LiquidTech Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“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
“Properties A”	three of the Properties with a total floor area of approximately 230.53 square metres, being the subject properties under the LeeHan Disposal Agreements
“Properties B”	three of the Properties with a total floor area of approximately 223.47 square metres, being the subject properties under the i-Cloud Disposal Agreements

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## DEFINITIONS

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“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 with limited liability, the issued shares of which are listed on KOSPI of the Korea Exchange (stock code: 210980:KS), and the property developer of the Properties
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taeyoung Engineering”	Taeyoung Engineering and Construction Co., Ltd. <sup>#</sup> , being a company incorporated in Korea with limited liability, 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
“%”	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\$0.0066. 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

25 January 2021

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTIONS  
IN RELATION TO THE DISPOSALS OF PROPERTIES IN KOREA**

**INTRODUCTION**

Reference is made to the Announcement.



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## LETTER FROM THE BOARD

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On 8 December 2020, Global Telecom (as seller), a wholly-owned subsidiary of the Company, entered into the LeeHan Disposal Agreements with LeeHan (as purchaser), pursuant to which Global Telecom agreed to transfer all of its rights and obligations under the relevant Agreements in respect of Properties A to LeeHan for a total purchase price of KRW473,960,000 (equivalent to approximately HK\$3,128,000), and LeeHan shall assume and perform all the payment obligations and liabilities of Global Telecom in relation to Properties A and pay the unpaid purchase price of KRW1,895,840,000 (equivalent to approximately HK\$12,513,000) in accordance with the terms and conditions of the LeeHan Acquisition Agreements.

On 8 December 2020, Global Telecom (as seller) also entered into the i-Cloud Disposal Agreements with i-Cloud (as purchaser), pursuant to which Global Telecom agreed to transfer all of its rights and obligations under the relevant Agreements in respect of Properties B to i-Cloud for a total purchase price of KRW461,586,000 (equivalent to approximately HK\$3,046,000), and i-Cloud shall assume and perform all the payment obligations and liabilities of Global Telecom in relation to Properties B and pay the unpaid purchase price of KRW1,846,344,000 (equivalent to approximately HK\$12,186,000) in accordance with the terms and conditions of the i-Cloud Acquisition Agreements.

For the reasons set out in the section headed “Written Shareholder’s Approval” in this circular, the written approval from LiquidTech will be accepted in lieu of holding a general meeting of the Company to approve the LeeHan Disposals and the i-Cloud Disposals under the LeeHan Disposal Agreements and i-Cloud Disposal Agreements, respectively. This circular will therefore be sent to the Shareholders for their information only.

The purpose of this circular is to provide you with, among other things, (i) further information on each of the LeeHan Disposals and i-Cloud Disposals; and (ii) other information as required under the GEM Listing Rules.

### THE LEEHAN DISPOSAL AGREEMENTS AND THE I-CLOUD DISPOSAL AGREEMENTS

The principal terms of the LeeHan Disposal Agreements and i-Cloud Disposal Agreements are set out below:

	<b>The LeeHan Disposal Agreements</b>	<b>The i-Cloud Disposal Agreements</b>
<b>Date:</b>	8 December 2020	
<b>Parties:</b>	(i) Global Telecom, as seller; and (ii) LeeHan, as purchaser	(i) Global Telecom, as seller; and (ii) i-Cloud, as purchaser

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of LeeHan, i-Cloud and their respective ultimate beneficial owner(s) is an Independent Third Party.

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## LETTER FROM THE BOARD

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**Assets to be disposed of:** Global Telecom agreed to transfer all of its rights and obligations under the relevant Agreements in respect of Properties A to LeeHan for a total purchase price of KRW473,960,000 (equivalent to approximately HK\$3,128,000). Global Telecom agreed to transfer all of its rights and obligations under the relevant Agreements in respect of Properties B to i-Cloud for a total purchase price of KRW461,586,000 (equivalent to approximately HK\$3,046,000).

**Consideration:** LeeHan shall pay Global Telecom the purchase payment (VAT inclusive) of KRW473,960,000 (equivalent to approximately HK\$3,128,000) on the date of the LeeHan Disposal Agreements. i-Cloud shall pay Global Telecom the purchase payment (VAT inclusive) of KRW461,586,000 (equivalent to approximately HK\$3,046,000) on the date of the i-Cloud Disposal Agreements.

LeeHan shall assume and perform all the payment obligations and liabilities of Global Telecom in relation to Properties A and pay the unpaid intermediate payments and balance in accordance with the procedures and schedule set out in the LeeHan Acquisition Agreements; and Global Telecom shall cease to have any payment obligations and liabilities under the relevant Agreements in respect of Properties A upon the entering into of the LeeHan Acquisition Agreements. i-Cloud shall assume and perform all the payment obligations and liabilities of Global Telecom in relation to Properties B and pay the unpaid intermediate payments and balance in accordance with the procedures and schedule set out in the i-Cloud Acquisition Agreements; and Global Telecom shall cease to have any payment obligations and liabilities under the relevant Agreements in respect of Properties B upon the entering into of the i-Cloud Acquisition Agreements.

Each of the LeeHan Acquisition Agreements and the i-Cloud Acquisition Agreements have also been entered into on the date of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements.

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## LETTER FROM THE BOARD

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Each of the consideration under the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements, which is equivalent to the purchase price of each of Properties A and Properties B under the relevant Agreements, was determined after arm's length negotiations between the parties thereto on normal commercial terms, after taking into account, (i) the purchase price of, and the purchase price actually paid by Global Telecom in respect of, each of Properties A or Properties B (as the case may be) under the relevant Agreements; (ii) the location, area, pillar layout of each unit of the Properties A or Properties B (as the case may be); (iii) the prevailing market price of other comparable properties located in the nearby location of Properties A and Properties B; and (iv) the information set out under the section headed "Reasons for and benefits of the Disposals" in this circular.

**Closing:** Closing shall take place on the date of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements.

**Termination:** If Global Telecom fails to perform the terms and conditions of the LeeHan Disposal Agreements, If Global Telecom fails to perform the terms and conditions of the i-Cloud Disposal Agreements,

(i) LeeHan may serve written notice to Global Telecom demanding its performance or terminate the LeeHan Disposal Agreements, and claim compensation for damages from Global Telecom resulting from such termination; and

(i) i-Cloud may serve written notice to Global Telecom demanding its performance or terminate the i-Cloud Disposal Agreements, and claim compensation for damages from Global Telecom resulting from such termination; and

(ii) Global Telecom shall refund the amount of purchase price paid by LeeHan in full upon termination of the LeeHan Disposal Agreements.

(ii) Global Telecom shall refund the amount of purchase price paid by i-Cloud in full upon termination of the i-Cloud Disposal Agreements.

If LeeHan fails to perform the terms and conditions of the LeeHan Disposal Agreements,

If i-Cloud fails to perform the terms and conditions of the i-Cloud Disposal Agreements,

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## LETTER FROM THE BOARD

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| (i) Global Telecom may serve written notice to LeeHan demanding its performance or terminate the LeeHan Disposal Agreements, and claim compensation for damages from LeeHan resulting from such termination; and | (i) Global Telecom may serve written notice to i-Cloud demanding its performance or terminate the i-Cloud Disposal Agreements, and claim compensation for damages from i-Cloud resulting from such termination; and |
| (ii) Global Telecom shall be entitled to retain all of the purchase price paid by LeeHan upon termination of the LeeHan Disposal Agreements.   | (ii) Global Telecom shall be entitled to retain all of the purchase price paid by i-Cloud upon termination of the i-Cloud Disposal Agreements.  |

### INFORMATION ON LEEHAN AND I-CLOUD

LeeHan is a company incorporated in Korea with limited liability and is principally engaged in the provision of network integration, consulting service and software development. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, LeeHan is eligible to move into Properties A under the Industrial Cluster Act.

i-Cloud is a company incorporated in Korea with limited liability and is principally engaged in the provision of intellectual technology service in Korea. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, i-Cloud is eligible to move into Properties B under the Industrial Cluster Act.

LeeHan and i-Cloud are private companies incorporated in Korea, which do not have any obligation to make public disclosure in relation to the information of the identities of their ultimate beneficial owners under Korean laws. Enquiries had been made by the Group to each of LeeHan and i-Cloud in relation to the identities of their respective ultimate beneficial owner(s), but LeeHan and i-Cloud refused to give consent to disclose such information.

Nevertheless, the Group had provided a list detailing the identities of (i) the directors, chief executive, substantial shareholders of each member of the Group; and (ii) person(s) who was a director of the Group in the last 12 months to LeeHan and i-Cloud, and each of LeeHan and i-Cloud confirmed in writing that it has no relationship with the aforementioned persons. The Group also obtained confirmations from the Directors and the substantial Shareholders that each of them and their associates is a third party independent from each of LeeHan and i-Cloud. Furthermore, the Group instructed an independent search agent, which has its own private database in Korea, to conduct company searches on LeeHan and i-Cloud to obtain the information of the identities of their respective ultimate beneficial owner(s).

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## LETTER FROM THE BOARD

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While the Company understands that it is encouraged to disclose the identities of the beneficial owner(s) of the counter-parties under Issue 1 of the Listed Issuer Regulation Newsletter published in November 2019 (the “**Newsletter**”), taking into account the following factors, the Directors consider that each of the LeeHan Disposals and the i-Cloud Disposals do not fall within the examples as set out in the Newsletter where the disclosure of beneficial owners would likely be material information for investors:

- (i) upon the entering into of the LeeHan Acquisition Agreements and the i-Cloud Acquisition Agreements, the Group has ceased to have any interest in Properties A and Properties B, and the Group and LeeHan/i-Cloud are not joint venture partners;
- (ii) each of the LeeHan Disposals and the i-Cloud Disposals do not involve the Group taking back a promissory note from LeeHan or i-Cloud;
- (iii) to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of LeeHan and i-Cloud was not the founder or key management, nor played a meaningful role in the historical financial performance of each of Properties A and Properties B; and
- (iv) each of the LeeHan Disposals and i-Cloud Disposals do not involve any subscription of securities.

Further, as disclosed above, each of LeeHan and i-Cloud is not an investment holding vehicle and that the relevant information concerning LeeHan and i-Cloud as disclosed in this circular shall be meaningful, accurate and sufficient to enable investors to make an informed assessment of the Disposals.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) each of LeeHan, i-Cloud and their respective ultimate beneficial owner(s) is an Independent Third Party; and (ii) each of LeeHan, i-Cloud and their respective ultimate beneficial owner(s) is a third party independent of each other.

### **INFORMATION ON PROPERTIES A AND PROPERTIES B**

Each of Properties A and Properties B comprise of three and three properties located at 12, 12-1, Dangsang-dong 1-ga, Yeongdeungpo-gu, Seoul, Korea with a total floor area of approximately 230.53 square meters and 223.47 square metres, respectively. The construction of the Think Factory Industrial Cluster commenced in May 2020 and the Think Factory Industrial Cluster is still under construction as at the 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.

## LETTER FROM THE BOARD

Pursuant to the terms and conditions of the relevant Agreements, Properties A and Properties B 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 Properties A and Properties B issued by an independent property valuer, the valuation of each of Properties A and Properties B was approximately KRW2,182,540,000 (equivalent to approximately HK\$14,404,764) and KRW2,118,300,000 (equivalent to approximately HK\$13,980,780) as at 30 November 2020, respectively, 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 Properties A and Properties B are set out in Appendix II to this circular.

### FINANCIAL EFFECT OF THE DISPOSALS AND USE OF PROCEEDS

	<b>The Group as at 31 December 2019 before the Acquisition and Disposals (Audited) HK\$'000 (Note 1)</b>	<b>Unaudited pro forma adjustment HK\$'000 (Note 2)</b>	<b>The Group as at 31 December 2019 immediately upon the Acquisition on 14 May 2020 HK\$'000</b>	<b>Unaudited pro forma adjustment HK\$'000 (Note 3)</b>	<b>The Group as at 31 December 2019 immediately upon the Disposals HK\$'000</b>
Non-current assets	44,934	82,717	127,651	(30,873)	96,778
Current assets	255,657	(8,272)	247,385	3,087	250,472
Current liabilities	(168,601)	(74,445)	(243,046)	27,786	(215,260)
Non-current liabilities	(1,842)	–	(1,842)	–	(1,842)
	<u>130,148</u>		<u>130,148</u>		<u>130,148</u>
Net assets	<u>130,148</u>		<u>130,148</u>		<u>130,148</u>

*Notes:*

- 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.

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## LETTER FROM THE BOARD

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2. The adjustment represents consideration of KRW12,532,830,000 (equivalent to approximately HK\$82,717,000) including value-added tax (the “VAT”) of KRW716,405,000 (equivalent to approximately HK\$4,618,000) 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 under the Agreements. The Group intends to satisfy the second intermediate payment, third intermediate payment and fourth 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 terms and conditions of the Agreements, the consideration of KRW12,532,830,000 (equivalent to approximately HK\$82,717,000), shall be payable by Global Telecom in cash in the following manner:

- (i) the initial payment under the Agreements 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 14 May 2020;
- (ii) the first intermediate payment under the Agreements 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 under the Agreements of KRW1,253,283,000 (equivalent to approximately HK\$8,272,000) including VAT of KRW71,640,500 (equivalent to approximately HK\$473,000) (subject to adjustment) shall be payable by Global Telecom on or before 13 April 2021;
- (iv) the third intermediate payment under the Agreements of KRW1,253,283,000 (equivalent to approximately HK\$8,272,000) including VAT of KRW71,640,500 (equivalent to approximately HK\$473,000) (subject to adjustment) shall be payable by Global Telecom on or before 14 September 2021;
- (v) the fourth intermediate payment under the Agreements of KRW1,253,283,000 (equivalent to approximately HK\$8,272,000) including VAT of KRW71,640,500 (equivalent to approximately HK\$473,000) (subject to adjustment) shall be payable by Global Telecom on or before 15 February 2022; and
- (vi) the remaining balance under the Agreements of KRW6,266,415,000 (equivalent to approximately HK\$41,357,000) including VAT of KRW358,202,000 (equivalent to approximately HK\$2,364,000) (subject to adjustment) shall be payable by Global Telecom on the Date of Closing.

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## LETTER FROM THE BOARD

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The table below illustrates the breakdown of each of the amounts which form the 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	7,799	473	8,272
Intermediate payments (the aggregate of amounts under (ii) to (v) above)	31,196	1,892	33,088
Remaining balance	38,993	2,364	41,357
	77,988	4,729	82,717

3. The adjustment represents the cost of Properties A and Properties B being sold at an amount of KRW2,369,800,000 and KRW2,307,930,000 respectively.

LeeHan shall pay Global Telecom the purchase payment (VAT inclusive) of KRW473,960,000 (equivalent to approximately HK\$3,128,000) on the date of the LeeHan Disposal Agreements and shall assume and perform all the payment obligations and liabilities of Global Telecom in relation to Properties A.

i-Cloud shall pay Global Telecom the purchase payment (VAT inclusive) of KRW461,586,000 (equivalent to approximately HK\$3,046,000) on the date of the i-Cloud Disposal Agreements shall assume and perform all the payment obligations and liabilities of Global Telecom in relation to Properties B.

Global Telecom shall repay of bank loans for satisfying first intermediate payment under the Agreements in the amount of KRW468,773,000 (equivalent to approximately HK\$3,087,000) by the proceeds received from LeeHan and i-Cloud.

Subject to further audit procedures to be performed by the auditors of the Company, no material gain or loss is expected to be recognised by the Group, as the consideration under each of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements is equivalent to the purchase price of each of Properties A and Properties B under the relevant Agreements. The actual amount of gain or loss as a result of the Disposals to be recorded by the Group will be subject to the review and final audit by the auditors of the Company.



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## LETTER FROM THE BOARD

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The estimated net proceeds from the Disposals will amount to approximately KRW935,546,000 (equivalent to approximately HK\$6,174,000). The following table illustrates the intended use of proceeds:

	<b>Proceeds from LeeHan Disposals HK\$'000</b>	<b>Proceeds from i-Cloud Disposals HK\$'000</b>	<b>Total HK\$'000</b>
Repayment of bank loans for satisfying first intermediate payment under the Agreements	1,564	1,523	3,087
General working capital	1,564	1,523	3,087
	<u>3,128</u>	<u>3,046</u>	<u>6,174</u>

### REASONS FOR AND BENEFITS OF THE DISPOSALS

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.

The Group has transferred all its rights and obligations under the relevant Agreements in respect of Properties A and Properties B at the break-even level in order to improve its liquidity. Due to severity of the current COVID-19 pandemic, the demand for the Properties was not as high as expected, and hence the purchase price of the Properties has not increased in the way the Directors have predicted. As the real estate market sentiment is more of a buyer's market, the Group does not have a strong bargaining power on the purchase price of the Properties. Therefore, Global Telecom has entered into the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements without any material gain or loss being recognised.

Similar to Hong Kong, Korea is undergoing another wave of COVID-19 local transmission. Under the current situation, the Directors consider that the general real estate will be under higher selling pressure in the near future, and hence the Board does not see any high upside price potential for the Properties. Having said that, since the Properties are part of the government subsidised Think Factory Industrial Cluster, the Directors consider that the prices of the Properties will not have any downside risk. Going forward, the Group will continue to dispose of the remaining Properties but may not make any profit, as in the cases of Properties A and Properties B, so as to further improve its liquidity. The remaining Properties comprise of 11 properties located at 12, 12-1, Dangsang-dong 1-ga, Yeongdeungpo-gu, Seoul, Korea with a total floor area of approximately 816.78 square metres. The Think Factory Industrial Cluster was still under construction as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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As disclosed in the Circular, 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). As at the Latest Practicable Date, such prior approval in respect of Properties A and Properties B have been obtained by Global Telecom.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of each of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements (including the respective consideration thereunder) and each of the LeeHan Disposals and the i-Cloud Disposals are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **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 LeeHan Disposals is more than 25% but all of the percentage ratios are less than 75%, the entering into of the LeeHan Disposal Agreements constitutes a major transaction on the part of the Company under the GEM Listing Rules, and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the i-Cloud Disposals is more than 25% but all of the percentage ratios are less than 75%, the entering into of the i-Cloud Disposal Agreements constitutes a major transaction on the part of the Company under the GEM Listing Rules, and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

### **WRITTEN SHAREHOLDER'S APPROVAL**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder (including LiquidTech) or any of their associates has any material interest in each of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements and the transactions contemplated thereunder respectively. As such, no Shareholder would be required to abstain from voting on the relevant resolutions to approve each of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements and the transactions contemplated thereunder respectively at the extraordinary general meeting of the Company if the Company were to convene an extraordinary general meeting for the approval of each of the LeeHan Disposals and the i-Cloud Disposals.

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## LETTER FROM THE BOARD

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As at the date of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements and the Latest Practicable Date, LiquidTech, a controlling shareholder of the Company, directly holds 262,917,327 Shares, representing approximately 65.73% of the issued share capital of the Company, and written Shareholder's approval for each of the LeeHan Disposals and the i-Cloud Disposals has been obtained from LiquidTech. Accordingly, pursuant to Rule 19.44 of the GEM Listing Rules, such written Shareholder's approval may be accepted in lieu of holding a general meeting of the Company to approve each of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements and the transactions contemplated thereunder respectively. As such, no general meeting will be convened for approving each of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements and the transactions contemplated thereunder respectively.

### RECOMMENDATION

The Board considers that the terms of the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the resolution(s) to approve the LeeHan Disposal Agreements and the i-Cloud Disposal Agreements and the transactions contemplated thereunder at such general meeting.

### 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 third quarterly report of the Company for the nine months ended 30 September 2020 published on 12 November 2020 (pages 5 to 15) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2020/1112/2020111201253.pdf>).

**2. STATEMENT OF INDEBTEDNESS**

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

	<b>As at</b> <b>30 November</b> <b>2020</b> <i>HK\$'000</i> (Unaudited)
<b>Current liabilities</b>	
Lease liabilities	1,908
Bank borrowings	30,826
	<hr/>
	32,734
<b>Non-current liabilities</b>	
Lease liabilities	1,542
Bank borrowings	8,772
	<hr/>
	10,314
	<hr/>
	43,048
	<hr/> <hr/>

As at 30 November 2020 for the purpose of this indebtedness statement, the Group's indebtedness consisted of lease liabilities of approximately HK\$3.5 million and bank borrowings of approximately HK\$39.6 million. There are no material covenants relating to the Group's outstanding debts.

As at 30 November 2020, the Group had total available banking facilities of approximately HK\$99.9 million, of which approximately HK\$39.6 million was utilised and approximately HK\$60.3 million was unrestricted and unutilised. The Group has not experienced any difficulty in obtaining bank borrowings to finance its operations as at the Latest Practicable Date.

The 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 are stated below:

	<b>Amount</b>	<b>Repayable in</b>
Bank A	US\$814,629	April 2021
Bank B	US\$382,538	July 2021
	KRW1,253,283,000	January 2023
Bank C	US\$1,263,795	September 2021
Bank D	US\$1,212,445	April 2021
Bank E	US\$314,622	May 2021

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

**Lease liabilities**

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

The future lease payments are due as follows:

	<b>As at 30 November 2020 HK\$'000 (Unaudited)</b>
Minimum lease payment due:	
Not later than one year	1,908
Later than one year and not more than two years	738
Later than two year and not more than five years	804
	<hr/>
<b>Present value of lease liabilities</b>	<b>3,450</b>
	<hr/> <hr/>

At the commencement date of a lease, the 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, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The current lease liabilities amounted to approximately HK\$1.9 million and the non-current lease liabilities amounted to approximately HK\$1.5 million as at 30 November 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 the Directors, KCGF is an Independent Third Party.

As at 30 November 2020, KCGF, which is a public financial institution independent of the 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 November 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 November 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 (12) 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 accounts 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 is unclear. The Group will adopt prudent strategy of rigid cost controls countering economic uncertainties during 2021.

*The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from BMI Appraisals Limited, an independent property valuer, in connection with their opinion of values of Properties A and Properties B as at 30 November 2020.*

## **BMI APPRAISALS**

BMI Appraisals Limited 中和邦盟評估有限公司

Suite 01-08, 27<sup>th</sup> Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong  
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

25 January 2021

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 interests in real properties (the “**real properties**” or “**real property interests**”) contracted to be disposed of 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 inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the real properties as if completed as at 30 November 2020 (the “**valuation date**”).

**BASIS OF VALUATION**

Our valuations of the real property interests have 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 values of the real properties as if completed represent our opinion of the aggregate selling prices of the real properties assuming that they were completed as at the valuation date. In valuing the real properties as if completed, we have assumed that the real properties have already been completed according to the development scheme provided with all development costs fully paid. We have valued the real properties on market basis by the Comparison Approach assuming sale with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Appropriate adjustments have been made to account for the differences between the real properties 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/disposal 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 ownerships or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. In the course of our valuations, we have relied upon the advice and information given by the Company’s Korean legal advisor – LAB Partners regarding the title of the real properties located in the Republic of Korea. All documents have been used for reference only.

**VALUATION ASSUMPTIONS**

Our valuations have been made on the assumption that the real properties as if completed are 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 values of the real property interests. In addition, no account has been taken of any option or right of pre-emption concerning or effecting sale of the real property interests and no forced sale situation in any manner is assumed in our valuations.

In valuing the real property interests, we have relied on the advice given by the Group that the owners of the real property interests have valid and enforceable titles to the real property interests which are freely transferable, and have 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**

Due to the outbreak of the Novel Coronavirus (COVID-19), we have relied on the Group's confirmation that there have been no material changes to the uses of such real properties or the nature of interests being valued or the nature of their locations, since the last inspections conducted on 13 September 2020. Thus, no re-inspections of such real properties had been conducted.

In the course of our valuations, 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 properties 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 properties 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 certificates 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 allowances have been made in our valuations for any charges, mortgages or amounts owing on the real properties or for any expenses or taxation, which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that the real properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Our valuations have been prepared in accordance with The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors and the International Valuation Standards (IVS) published by The International Valuation Standards Council.

Our valuations have been prepared under the generally accepted valuation procedures and are 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 South Korean Won (KRW) and no allowance has been made for any exchange transfers.

Our Summary of Values and the Valuation Certificates 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,*

*FRSS, MASCE, MHKIE, MHKIS, MIET,*

*MIEEE, MASME, MISE, MCSI*

**Managing Director**

*Notes:*

*Dr. Tony C.H. Cheng is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 28 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 interests contracted to be disposed of by the Group in the Republic of Korea

No.	Real property	Market Value as if completed as at 30 November 2020 KRW
1.	3 industrial units (Nos. A1301 – A1303) 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	2,182,540,000 <sup>Note</sup>
2.	3 industrial units (Nos. A1314 – A1316) 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	2,118,300,000 <sup>Note</sup>
<b>Total:</b>		<b>4,300,840,000</b>

*Note:*

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

## VALUATION CERTIFICATE

## Real property interests contracted to be disposed of by the Group in the Republic of Korea

No.	Real property	Description and tenure	Particulars of occupancy	Market Value as if completed as at 30 November 2020 <i>KRW</i>
1.	3 industrial units (Nos. A1301-A1303) 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 3 industrial units on 13<sup>th</sup> Floor of the development under construction with a total planned exclusive use area of approximately 230.53 sq.m.</p> <p>As advised by the Group, the construction works of the development commenced in May 2020 and is 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.	2,182,540,000  (On the assumption that the real property was completed according to the development scheme provided as at the valuation date)

## VALUATION CERTIFICATE

*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 3 Parceling-out Agreements (the "**Acquisition 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 230.53 sq.m. were pre-sold to the purchaser at a total consideration of KRW2,234,595,800 plus VAT of KRW135,204,200.
3. Pursuant to 3 Presale Right Purchase Agreements (the "**Disposal Agreements**") dated 8 December 2020 entered into between LeeHanNs Co., Ltd. (the "**transferee**") and Global Telecom Co., Ltd. (the "**transferor**"), the transferor agreed to transfer all of its rights and obligations of the real property with a total exclusive use area of approximately 230.53 sq.m. under the aforesaid Acquisition Agreements to the transferee at a total consideration of KRW2,234,595,800 plus VAT of KRW135,204,200.
4. 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.
5. As advised by the Group, no estimated construction cost to complete the real property can be provided.
6. 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.



## VALUATION CERTIFICATE

7. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality having the 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 December 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	Comparable 8
Development Name	Triplex	SK V1 Center Dangsan	SK V1 Center Dangsan	KnK Digital Tower	KnK Digital Tower	SK V1 Center Dangsan	Ace High-tech 3rd	IS Biz Tower 2nd
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	Single tower industrial building
Completion Year	2017	2015	2015	2012	2012	2015	2019	2014
Exclusive use area (sq.m.)	82.41	54.9	78.3	133.24	141.66	89.88	192.46	100.03
Floor Level	6	12	19	6	8	10	2	3
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	18 December 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	868,000,000
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	8,677,397

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.

## VALUATION CERTIFICATE

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, the details of valuation considerations for the adjustment factors are shown as follows:

<b>Adjustment Factors</b>	<b>Valuation Considerations</b>
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.

Adjustments are made to reflect the differences between each comparable and the reference unit, namely unit No. A1301 of the real property, according to various factors stated above. List of the comparables with each of their adjustments made and the resulting adjusted unit rates are shown as follows:

Adjustment Factors	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8
Age	5.00%	7.00%	7.00%	10.00%	10.00%	7.00%	3.00%	8.00%
Floor Level	7.00%	1.00%	-6.00%	7.00%	5.00%	3.00%	11.00%	10.00%
Size	-0.39%	-0.94%	-0.47%	0.62%	0.79%	-0.24%	1.81%	-0.04%
Development Scale	10.00%	0%	0%	10.00%	10.00%	0%	5.00%	5.00%
Asking Price	0%	0%	0%	0%	0%	-10.00%	-10.00%	-10.00%
Total Adjustment	<u>21.61%</u>	<u>7.06%</u>	<u>0.53%</u>	<u>27.62%</u>	<u>25.79%</u>	<u>-0.24%</u>	<u>10.81%</u>	<u>12.96%</u>
Adjusted Unit Rate (KRW/sq.m.)	8,853,848	9,165,205	8,922,753	9,722,198	9,412,689	9,545,062	9,999,604	9,801,987

## VALUATION CERTIFICATE

Having assessed the unit rate for the reference unit No. A1301 by averaging the 8 adjusted unit rates of the comparables above at KRW9,427,918, we have accordingly reflected the differences between that with the other units of the real property in terms of size factor by making adjustment as per the valuation consideration stated above. The size adjustments, adjusted unit rates and their respective valuations of the real property are shown as follows:

	<b>A1301</b>	<b>A1302</b>	<b>A1303</b>
Size Adjustment	0%	0.81%	0.70%
Adjusted Unit Rate (KRW/sq.m.)	9,427,918	9,504,228	9,494,083
Exclusive Use Area (sq.m.)	102.03	61.56	66.94
Valuation (KRW)	961,930,000	585,080,000	635,530,000

8. For reference purpose, we are of the opinion that there should be no material change in the value of the real property between 8 December 2020 and the valuation date.
9. 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;
  - c. The Acquisition Agreements and the Disposal Agreements are legally valid, binding and enforceable on each of the parties thereto in accordance with their respective terms in the aforesaid agreements.
10. Global Telecom Co., Ltd. is a wholly-owned subsidiary of the Group.

## VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market Value as if completed as at 30 November 2020 KRW
2.	3 industrial units (Nos. A1314-A1316) 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	The development known as “Think Factory Dangsan”, 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.	The real property is under construction.	2,118,300,000  (On the assumption that the real property was completed according to the development scheme provided as at the valuation date)
		The real property comprises 3 industrial units on 13 <sup>th</sup> Floor of the development under construction with a total planned exclusive use area of approximately 223.47 sq.m.		
		As advised by the Group, the construction works of the development commenced in May 2020 and is scheduled to be completed in about October 2022.		
		The real property is held under freehold land.		

## VALUATION CERTIFICATE

*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 3 Parceling-out Agreements (the "**Acquisition 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 223.47 sq.m. were pre-sold to the purchaser at a total consideration of KRW2,176,215,300 plus VAT of KRW131,674,700.
3. Pursuant to 3 Presale Right Purchase Agreements (the "**Disposal Agreements**") dated 8 December 2020 entered into between i-Cloud Co., Ltd. (the "**transferee**") and Global Telecom Co., Ltd. (the "**transferor**"), the transferor agreed to transfer all of its rights and obligations of the real property with a total exclusive use area of approximately 223.47 sq.m. under the aforesaid Acquisition Agreements to the transferee at a total consideration of KRW2,176,215,300 plus VAT of KRW131,674,700.
4. 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.
5. As advised by the Group, no estimated construction cost to complete the real property can be provided.
6. 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.

## VALUATION CERTIFICATE

7. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality having the 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 December 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	Comparable 8
Development Name	Triplex	SK V1 Center Dangsan	SK V1 Center Dangsan	KnK Digital Tower	KnK Digital Tower	SK V1 Center Dangsan	Ace High-tech 3rd	IS Biz Tower 2nd
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	Single tower industrial building
Completion Year	2017	2015	2015	2012	2012	2015	2019	2014
Exclusive use area (sq.m.)	82.41	54.9	78.3	133.24	141.66	89.88	192.46	100.03
Floor Level	6	12	19	6	8	10	2	3
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	18 December 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	868,000,000
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	8,677,397
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.							

## VALUATION CERTIFICATE

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, the details of valuation considerations for the adjustment factors are shown as follows:

<b>Adjustment Factors</b>	<b>Valuation Considerations</b>
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.

Adjustments are made to reflect the differences between each comparable and the reference unit, namely unit No. A1301 of Property No. 1, according to various factors stated above. List of the comparables with each of their adjustments made and the resulting adjusted unit rates are shown as follows:

Adjustment Factors	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8
Age	5.00%	7.00%	7.00%	10.00%	10.00%	7.00%	3.00%	8.00%
Floor Level	7.00%	1.00%	-6.00%	7.00%	5.00%	3.00%	11.00%	10.00%
Size	-0.39%	-0.94%	-0.47%	0.62%	0.79%	-0.24%	1.81%	-0.04%
Development Scale	10.00%	0%	0%	10.00%	10.00%	0%	5.00%	5.00%
Asking Price	0%	0%	0%	0%	0%	-10.00%	-10.00%	-10.00%
Total Adjustment	<u>21.61%</u>	<u>7.06%</u>	<u>0.53%</u>	<u>27.62%</u>	<u>25.79%</u>	<u>-0.24%</u>	<u>10.81%</u>	<u>12.96%</u>
Adjusted Unit Rate (KRW/sq.m.)	8,853,848	9,165,205	8,922,753	9,722,198	9,412,689	9,545,062	9,999,604	9,801,987

## VALUATION CERTIFICATE

Having assessed the unit rate for the reference unit No. A1301 by averaging the 8 adjusted unit rates of the comparables above at KRW9,427,918, we have accordingly reflected the differences between that with the other units of the real property in terms of size factor by making adjustment as per the valuation consideration stated above. The size adjustments, adjusted unit rates and their respective valuations of the real property are shown as follows:

	<b>A1314</b>	<b>A1315</b>	<b>A1316</b>
Size Adjustment	0.49%	0.70%	0.47%
Adjusted Unit Rate (KRW/sq.m.)	9,473,663	9,494,083	9,471,796
Exclusive Use Area (sq.m.)	77.77	66.94	78.76
Valuation (KRW)	736,770,000	635,530,000	746,000,000

8. For reference purpose, we are of the opinion that there should be no material change in the value of the real property between 8 December 2020 and the valuation date.
9. 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;
  - c. The Acquisition Agreements and the Disposal Agreements are legally valid, binding and enforceable on each of the parties thereto in accordance with their respective terms in the aforesaid agreements.
10. Global Telecom Co., Ltd. is a wholly-owned subsidiary of the Group.



## 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 5.67 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 (“ <b>Mr. Phung</b> ”) (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 (“ <b>Mr. Suh</b> ”) (Notes 1 and 2)	Interest held jointly with other persons/ Interest in controlled corporation	262,917,327	65.73%
Mr. Lee Seung Han (“ <b>Mr. Lee</b> ”) (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*

<b>Name of Shareholder</b>	<b>Capacity/ Nature of interest</b>	<b>Number of Shares held</b>	<b>Approximate percentage of shareholding in the Company (Note 8)</b>
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 any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the Group within one year without payment of 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 ASSETS AND CONTRACTS

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 approximately 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; and
- (c) the Agreements;
- (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;
- (e) the LeeHan Disposal Agreements; and
- (f) the i-Cloud Disposal Agreements.

## 8. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee 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**, 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, and a partner of Martin C. K. Pong & Company, a firm of certified public accountants.

**Mr. Wong Sik Kei**, aged 73, 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**, 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 EXPERT**

The following are the qualification of the expert who has given opinions, letter or advice included in this circular:

<b>Name</b>	<b>Qualification</b>
BMI Appraisals Limited	Independent property valuer

As at the Latest Practicable Date, the expert above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter(s)/report(s) or its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the expert above had no 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, the expert above had no 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 accounts 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 text of this circular shall prevail over its Chinese text.



**11. DOCUMENTS AVAILABLE 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 for a period of 14 days from the date of this circular:

- (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 third quarterly report of the Company for the nine months ended 30 September 2020;
- (f) the valuation report on Properties A and Properties B issued by BMI Appraisals Limited, the text of which is set out in Appendix II 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 Expert" of this appendix;
- (i) the circular of the Company dated 13 November 2020 in relation to the acquisition of properties in Korea; and
- (j) this circular.