



Ahsay Backup Software Development Company Limited

亞勢備份軟件開發有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8290)

**ANNOUNCEMENT OF FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

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*This announcement, for which the directors (the “**Directors**”) of Ahsay Backup Software Development Company Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

- The Group's revenue for the three months ended 31 March 2020 was approximately HK\$14.9 million, representing an increase of approximately 1.4% from approximately HK\$14.7 million for the corresponding period in 2019.
- Loss attributable to owners of the parent for the three months ended 31 March 2020 was approximately HK\$0.6 million, representing an increase of approximately 20.0% from approximately HK\$0.5 million for the corresponding period in 2019.
- Segment profit of approximately HK\$0.1 million and HK\$1.3 million, was recorded from core backup business for the three months ended 31 March 2020 and 2019 respectively, representing a decrease of approximately 92.3%.
- Segment loss of approximately HK\$1.0 million and HK\$2.0 million, was recorded from information platform segment (previously known as information sharing services segment) named "KINTIPS" for the three months ended 31 March 2020 and 2019 respectively, representing a decrease of approximately 50.0%.
- Basic and diluted loss per share were HK\$0.03 cent for the three months ended 31 March 2020.
- The Board did not recommend payment of any dividend for the three months ended 31 March 2020.

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2020

The board of Directors (the "**Board**") of the Company hereby announce the following unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the three months ended 31 March 2020 together with the unaudited comparative figures for the corresponding period in 2019 as set out below.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2020

		Three months ended	
		31 March	
	<i>Notes</i>	2020	2019
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	14,888	14,741
Cost of inventories sold		(6)	(18)
Other income	4	388	362
Other (losses) gains		(74)	8
Staff costs and related expenses	5	(11,392)	(10,984)
Other expenses	6	(4,308)	(4,329)
Finance costs	7	(90)	(112)
		<hr/>	<hr/>
Loss before tax		(594)	(332)
Income tax expenses	8	(128)	(132)
		<hr/>	<hr/>
Loss for the period		(722)	(464)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the parent		(586)	(464)
Non-controlling interests		(136)	—
		<hr/>	<hr/>
		(722)	(464)
		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive (expense) income			
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences arising on translation of foreign operations		(92)	81
		<hr/>	<hr/>
Other comprehensive (expense) income for the period		(92)	81
		<hr/>	<hr/>
Total comprehensive expense for the period		(814)	(383)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the parent		(677)	(383)
Non-controlling interests		(137)	—
		<hr/>	<hr/>
		(814)	(383)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share attributable to ordinary equity holders of the parent			
— Basic and diluted (HK cent)	10	(0.03)	(0.02)
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Attributable to owners of the parent					Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital and other reserves HK\$'000 (note 1)	Translation reserve HK\$'000	Accumulated losses HK\$'000			
At 1 January 2019 (audited)	20,000	72,435	4,097	(29)	(19,351)	77,152	—	77,152
Loss for the period	—	—	—	—	(464)	(464)	—	(464)
Other comprehensive income for the period								
Exchange differences arising on translation of foreign operations	—	—	—	81	—	81	—	81
Total comprehensive income (expense) for the period	—	—	—	81	(464)	(383)	—	(383)
At 31 March 2019 (unaudited)	<u>20,000</u>	<u>72,435</u>	<u>4,097</u>	<u>52</u>	<u>(19,815)</u>	<u>76,769</u>	<u>—</u>	<u>76,769</u>
At as 1 January 2020 (audited)	20,000	72,435	3,356	117	(19,240)	76,668	51	76,719
Loss for the period	—	—	—	—	(586)	(586)	(136)	(722)
Other comprehensive expense for the period								
Exchange differences arising on translation of foreign operations	—	—	—	(91)	—	(91)	(1)	(92)
Total comprehensive expense for the period	—	—	—	(91)	(586)	(677)	(137)	(814)
At 31 March 2020 (unaudited)	<u>20,000</u>	<u>72,435</u>	<u>3,356</u>	<u>26</u>	<u>(19,826)</u>	<u>75,991</u>	<u>(86)</u>	<u>75,905</u>

Note:

i. Capital and other reserves comprise:

- (a) a debit amount of HK\$5,000 representing the difference between the fair value of the consideration paid in the amount of HK\$205,000 to Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui, Mr. Chong Siu Ning (the “**Controlling Shareholders**”) and the carrying amount of HK\$200,000 of the net assets attributable to the 100% equity interest in CloudBacko Corporation (“**CloudBacko BVI**”) and Ahsay Service Centre Limited (“**ASCL**”), upon the transfer of 100% equity interest in CloudBacko BVI and ASCL from the Controlling Shareholders in April 2015;
- (b) a credit amount of HK\$1,000,000 representing the difference between the par value of the share issued by Alpha Heritage Holdings Limited (“**Alpha Heritage**”), a wholly-owned subsidiary of the Company, and the share capital of Ahsay Systems Corporation Limited (“**Ahsay HK**”), upon the transfer of 100% equity interest in Ahsay HK to Alpha Heritage in May 2015;
- (c) a credit amount of HK\$2,000,000 representing the deemed capital contribution from the Controlling Shareholders with regard to waiver of amounts due to shareholders in March 2015;
- (d) a credit amount of HK\$1,102,000 representing the deemed capital contribution from the Controlling Shareholders upon disposal of the entire equity interest in Million Victory Investment Management Limited, a subsidiary of the Group, to a related company controlled by the Controlling Shareholders; and
- (e) a debit amount of HK\$741,000 representing the difference between the amount by which the non-controlling interests are adjusted before and after the additional capital contribution from Ahsay HK.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2020

1. GENERAL

Ahsay Backup Software Development Company Limited (the “**Company**”) is a public listed company incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares were listed on the GEM of The Stock Exchange of Hong Kong (the “**Stock Exchange**”). Its immediate holding company is All Divine Investments Limited, a private company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability; and its ultimate holding company is Able Future Investments Limited, a private company incorporated in the BVI with limited liability. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is 28th Floor, Ford Glory Plaza, 37 Wing Hong Street, Lai Chi Kok, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of online backup software solutions to clients via the internet.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

2.1 BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. They have been prepared under the historical cost convention. These unaudited condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Apart from the adoption of new accounting policies and the changes in accounting policies resulting from application of amendments to HKFRSs, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the three months ended 31 March 2020 are the same as those followed in the preparation of the annual financial statements for the year ended 31 December 2019 of the Company and its subsidiaries (collectively referred to as the “**Group**”).

2.2 APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The application of these amendments to HKFRSs in the current period has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performance, focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 Operating Segments are as follows:

Online backup software and related services segment	— Software license sales and leasing, provision of software upgrades and maintenance services, sale of hardware devices, and provision of other services
Information platform segment (previously known as information sharing services segment)	— Provision of information sharing services and an analysis tool

Segment revenue and result

Segment results represent the profit earned by/loss from each segment without allocation of other income and other (losses) gains that are not directly attributable to the segments as disclosed in the below table. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the three months ended 31 March 2020 (unaudited)

	Online backup software and related services HK\$'000	Information platform HK\$'000	Total HK\$'000
Segment revenue — External			
Software license sales	2,688	—	2,688
Software license leasing	5,835	—	5,835
Software upgrades and maintenance services fee	5,848	—	5,848
Other services fee	310	—	310
Sale of hardware devices	—	6	6
Information sharing service income	—	44	44
Subscription fees	—	157	157
	<u>14,681</u>	<u>207</u>	<u>14,888</u>
Total revenue	<u>14,681</u>	<u>207</u>	<u>14,888</u>
Timing of revenue recognition			
At a point in time	2,695	50	2,745
Over time	11,986	157	12,143
	<u>14,681</u>	<u>207</u>	<u>14,888</u>
Segment profit (loss)	97	(1,005)	(908)
Unallocated incomes and expenses			
Other income			388
Other losses			(74)
Loss before tax			<u>(594)</u>

For the three months ended 31 March 2019 (unaudited)

	Online backup software and related services <i>HK\$'000</i>	Information platform <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue — External			
Software license sales	1,778	—	1,778
Software license leasing	6,735	—	6,735
Software upgrades and maintenance services fee	5,712	—	5,712
Other services fee	441	—	441
Sale of hardware devices	25	—	25
Information sharing service income	—	50	50
Total revenue	<u>14,691</u>	<u>50</u>	<u>14,741</u>
Timing of revenue recognition			
At a point in time	1,822	50	1,872
Over time	12,869	—	12,869
	<u>14,691</u>	<u>50</u>	<u>14,741</u>
Segment profit (loss)	1,323	(2,025)	(702)
Unallocated incomes and expenses			362
Other income			8
Other gains			<u>8</u>
Loss before tax			<u>(332)</u>

4. OTHER INCOME

	Three months ended 31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Bank interest income	360	327
Interest income on refundable rental deposits	7	6
Sundry income	21	29
	<u>388</u>	<u>362</u>

5. STAFF COSTS AND RELATED EXPENSES

	Three months ended 31 March	
	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Directors' emoluments	2,548	2,355
Other staff costs		
— Salaries, allowances and benefits in kind and performance and other bonus	8,708	8,360
— Retirement benefits scheme contributions, excluding directors' retirement contributions	238	278
Total directors' and staff costs	11,494	10,993
Less: Development costs capitalised	(253)	(141)
Total directors' and staff costs, net of development cost capitalised	11,241	10,852
Staff-related expenses	151	132
Staff costs and related expenses	<u>11,392</u>	<u>10,984</u>
Research and development costs included in staff costs and related expenses	<u>3,788</u>	<u>3,215</u>

6. OTHER EXPENSES

	Three months ended 31 March	
	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Auditor's remuneration	200	200
Advertising and marketing expenses	600	756
Amortisation of other intangible assets	386	386
Legal and professional fees	646	694
Depreciation of property, plant and equipment	248	150
Depreciation of right-of-use assets	738	749
Expenses related to short-term leases	43	11
Rates and property management fee	140	121
Merchant credit card charges	339	320
Electricity and water	76	77
Others	892	865
	<u>4,308</u>	<u>4,329</u>

7. FINANCE COSTS

	Three months ended 31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Interest expenses on:		
Lease liabilities	75	112
Other borrowings	15	—
	<u>90</u>	<u>112</u>

8. INCOME TAX EXPENSES

	Three months ended 31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	69	146
Deferred tax	59	(14)
	<u>128</u>	<u>132</u>

The Group is not subject to any income tax in the Cayman Islands and the BVI pursuant to the rules and regulations in the respective jurisdictions.

Under the two-tiered profits tax rates regime, one of the subsidiaries of the Company is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. Other subsidiaries of the Company are subject to Hong Kong Profits Tax at the rate of 16.5% for the three months ended 31 March 2020 and 2019, respectively.

Under the Enterprise Income Tax Law (the “**EIT Law**”) of the People’s Republic of China (the “**PRC**”) and the Implementation Regulation of the EIT Law, the tax rate of the Group’s PRC subsidiary is 25% for both periods. No provision for taxation in the PRC has been made for both periods as the Group has no assessable profits in the PRC.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for both periods.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the parent is based on the following data:

	Three months ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Loss attributable to ordinary equity holders of the parent	<u>(586)</u>	<u>(464)</u>

	Three months ended	
	31 March	
	2020	2019
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>2,000,000</u>	<u>2,000,000</u>

The Group had no potentially dilutive ordinary shares in issue during the three months ended 31 March 2020 and 2019.

FINANCIAL REVIEW

Overview

During the three months ended 31 March 2020 and 2019, the Group recorded revenue of approximately HK\$14.9 million and HK\$14.7 million respectively, representing an increase of approximately 1.4%. The Group recorded a loss attributable to owners of approximately HK\$0.6 million for the three months ended 31 March 2020 as compared to a loss of approximately HK\$0.5 million for the corresponding period in 2019.

The increase of loss was mainly attributable to (i) the slight decrease in revenue derived from the online backup business as affected by the outbreak of novel coronavirus (“**COVID-19**”), (ii) the loss derived from the newly acquired subsidiary in Korea which is still in its investment stage, and (iii) the increase in staff cost mainly due to the increase in headcount of the Group, which is partially offset by the new sources of subscription revenue derived from our newly developed information platform as compared with the corresponding period in 2019.

Revenue

The Group’s revenue principally represented income derived from software license sales and leasing, software upgrades and maintenance services and other services. Revenue of approximately HK\$14.9 million and HK\$14.7 million was recognised for the three months ended 31 March 2020 and 2019 respectively, representing an increase of approximately 1.4%.

The increase in revenue for the three months ended 31 March 2020 was mainly due to the new sources of subscription revenue derived from our newly developed information platform of approximately HK\$0.2 million and partially offset by the slight decrease in revenue derived from the online backup business as affected by the outbreak of COVID-19 compared with the corresponding period in 2019.

Other Income

Other income increased by approximately HK\$26,000 or 7.2%, to approximately HK\$388,000 for the three months ended 31 March 2020 from approximately HK\$362,000 for the three months ended 31 March 2019. The increase in other income for the three months ended 31 March 2020 was mainly due to the increase in bank interest income as a result of the increase in the average interest rate of the time deposits as compared with the corresponding period in 2019.

Staff Costs and Related Expenses

Staff costs and related expenses primarily comprised salaries, performance bonuses, directors' fee, Mandatory Provident Fund contributions, other staff welfare and other related expenses. Staff costs and related expenses which increased by approximately HK\$0.4 million or 3.6%, to approximately HK\$11.4 million for the three months ended 31 March 2020 from approximately HK\$11.0 million for the three months ended 31 March 2019.

The increase in staff costs and related expenses for the three months ended 31 March 2020 was mainly due to the increase in headcount of the Group, and partially offset by the increase in development cost capitalised as compared with the corresponding period in 2019.

Other Expenses

Other expenses primarily comprised depreciation, amortisation, advertising and marketing expenses, merchant credit card charges, legal and professional fees and other regular office expenses such as utilities.

Other expenses for the three months ended 31 March 2020 was approximately HK\$4.3 million, which was in line with the amount of approximately HK\$4.3 million of the corresponding period in 2019. The increase in other expenses derived from the newly acquired subsidiary in Korea was partially offset by the decrease in advertising and marketing expenses as compared with the corresponding period in 2019.

Income Tax Expenses

The Group recorded income tax expenses of approximately HK\$0.1 million for the three months ended 31 March 2020, which was the same as compared with the corresponding period in 2019.

Loss for the Period

The Group recorded a loss of approximately HK\$0.7 million for the three months ended 31 March 2020 as compared to a loss of approximately HK\$0.5 million for the corresponding period in 2019. Among the loss for the period, approximately HK\$0.1 million pre-tax profit was generated by the Group's core backup business, which was offset by the segment loss of approximately HK\$1.0 million incurred from KINTIPS.

Financial Position, Liquidity and Financial Resources

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of funds, the Group's treasury activities are centralised and substantial cash is generally deposited with banks in Hong Kong and denominated mostly in Hong Kong dollars. As the Group's cash and bank balances were substantially denominated in Hong Kong dollars, risk in exchange rate fluctuation would not be material.

The Group is in a sound financial position. As at 31 March 2020, the Group's current assets were approximately HK\$80.3 million (31 December 2019: approximately HK\$91.2 million). The Group remained at a net cash position as at 31 March 2020 and 2019, respectively. Based on the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Charges on Assets of the Group

As at 31 March 2020, there was no charge on assets of the Group (31 December 2019: nil).

Capital Structure

The capital structure of the Company comprised of ordinary shares only. As at 31 March 2020, the Company's issued share capital was HK\$20.0 million with 2,000,000,000 issued shares of HK\$0.01 each.

Gearing Ratio

As at 31 March 2020, the Group's gearing ratio, calculated as interest-bearing borrowings divided by the total equity, was approximately 1.7% (31 December 2019: 1.7%).

Capital Commitments

The Group had no significant capital commitments as at 31 March 2020.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 March 2020 (31 December 2019: nil).

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal during the three months ended 31 March 2020 and 2019, respectively.

BUSINESS REVIEW

Albeit the COVID-19 outbreak has currently caused uncertainty to our business operation and to the global economic environment; during the period, our backup business was neither immediately nor materially affected as the revenue derived from online backup software and its related services remained stable.

On the other side, the new sources of subscription revenue derived from our newly developed information platform has started to make revenue contribution to the Group.

Revenue of the Group slightly increased by approximately HK\$0.2 million or 1.4% from approximately HK\$14.7 million for the three months ended 31 March 2019 to approximately HK\$14.9 million for the three months ended 31 March 2020.

Facing the current COVID-19 challenges, we are working closely together with our customers on product fine-tuning by leveraging video conferencing tools to overcome social distancing obstacles. We believe closer connection with customers can improve customer experience and manifest product and service values to them in particularly during the current difficult time.

To accommodate additional staff for our future operations, the Group finished the purchase of two additional office units in the Philippines for its own use as office space during the period.

OUTLOOK

Core Backup Business

To cater for market needs and keep pace with technological advancement, Version 8 was launched in 2019. Version 8 introduces various new features including Microsoft SharePoint Online Backup etc. and has further enhanced the existing Office 365 backup features. With the enhancement of the functionalities as well as the new index file system, this new adoption of Version 8 would bring better user experience to our customers.

In view of the uncertainty caused by the current COVID-19 outbreak, the Group will stay alert to its development and will assess its impacts on the financial performance and business operation of the Group continually. Taken into account of our solid foundation in the online backup software business with years built up global customer base, the Group is optimistic with the long-term business growth and development of our backup software business.

Information Platform

KINTIPS LIMITED, an indirect wholly-owned subsidiary of the Company, has developed and launched two online information platforms, named KINTIPS (堅料) for information sharing and KINBOY (堅仔) which is an information analysis tool. Those platforms are mainly deployed on mobile-application.

KINTIPS is a trading platform for horse racing and football tips in Hong Kong designed for information providers (horse racing and football tipsters) and subscribers to share information via its website and mobile application. During the period, although some international football matches were cancelled due to the COVID-19 outbreak, this unprecedented incident did not have material impact on the revenue for the three months ended 31 March 2020.

KINBOY is an all-in-one platform for horse racing information. A new subscription business model of KINBOY was launched in late 2019. The service is tiered and structured such that free members can access the latest race cards, results and dividends, entries lists, chance table of horse racing and other detailed information such as finesse of horse, odds trend and forecast of first two races for catch-up viewing; while paid members can access those detailed information for full day races.

Currently, mobile devices have become the preferred choice for every user to browse information and interact with others. With the Group's experience in the information technology industry, we believe the Group can make use of KINTIPS and KINBOY to diversify its business into the mobile-application industry. For the three months ended 31 March 2020, the revenue contribution of the information platform to the Group was not material.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2020, the interests and short positions of the Directors and chief executive in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, required to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in Shares

Name of Director	Capacity/nature of interest	Note	Number of Shares	Approximate percentage of total number of Shares (Note 1)
Mr. Chong King Fan	Interest of spouse	2	1,500,000,000	75.0%
Mr. Chong Siu Pui	Interest in a controlled corporation	2	1,500,000,000	75.0%
Mr. Chong Siu Ning	Interest in a controlled corporation	2	1,500,000,000	75.0%

Notes:

- As at 31 March 2020, the Company had 2,000,000,000 Shares in issue.
- As at 31 March 2020, All Divine Investments Limited ("All Divine") held a long position of 1,500,000,000 Shares, representing 75% of the issued Shares. All Divine is wholly owned by Able Future Investments Limited ("Able Future") which is owned by Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning as to 40%, 30% and 30%, respectively. By virtue of the SFO, Mr. Chong King Fan, who is the spouse of Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning are deemed to be interested in the Shares held by All Divine.

Save as disclosed above, as at 31 March 2020, none of the Directors and chief executive of the Company had an interest or short position in the Shares, underlying Shares and 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 recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2020, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long Positions in Shares

Name of Shareholder	Capacity/nature of interest	Notes	Number of Shares	Approximate percentage of total number of Shares (Note 1)
All Divine	Beneficial owner	2	1,500,000,000	75.0%
Able Future	Interest in a controlled corporation	2	1,500,000,000	75.0%
Mrs. Chong Li Sau Fong	Interest in a controlled corporation	2	1,500,000,000	75.0%
Ms. Wu Jui-fang	Interest of spouse	3	1,500,000,000	75.0%
Ms. Li Yin Heung	Interest of spouse	4	1,500,000,000	75.0%

Notes:

1. As at 31 March 2020, the Company had 2,000,000,000 Shares in issue.
2. All Divine held a long position of 1,500,000,000 Shares, representing 75% of the issued Shares. All Divine is wholly owned by Able Future, which is owned by Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning as to 40%, 30% and 30%, respectively. By virtue of the SFO, Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning are deemed to be interested in the Shares held by All Divine.
3. Ms. Wu Jui-fang is the spouse of Mr. Chong Siu Pui. By virtue of the SFO, Ms. Wu Jui-fang is deemed to be interested in the Shares in which Mr. Chong Siu Pui is interested.
4. Ms. Li Yin Heung is the spouse of Mr. Chong Siu Ning. By virtue of the SFO, Ms. Li Yin Heung is deemed to be interested in the Shares in which Mr. Chong Siu Ning is interested.

Save as disclosed above, as at 31 March 2020, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had an interest or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in the sections headed "Share Option Scheme" and "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" in this announcement, at no time during the three months ended 31 March 2020 and up to the date of this announcement, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Directors' and Controlling Shareholders' Interest in Competing Business

For the three months ended 31 March 2020, the Directors are not aware of any business or interest of the Directors, the Controlling Shareholders and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interests which any such person has or may have with the Group.

Compliance with the Code of Conduct for Directors' Securities Transactions

The Group has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. In response to specific enquiry made by the Company, each of the Directors gave confirmation that he/she has complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors for the three months ended 31 March 2020.

Compliance with the Code on Corporate Governance

The Company is committed to achieve high standards of corporate governance with a view to safeguarding the interests of its shareholders. The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as contained in Appendix 15 to the GEM Listing Rules during the three months ended 31 March 2020.

Share Option Scheme

A share option scheme was adopted and approved by the shareholders of the Company on 4 September 2015 (the "Share Option Scheme"). No share options have been granted pursuant to the Share Option Scheme since its adoption.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the three months ended 31 March 2020 and up to the date of this announcement, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

Review by the Audit Committee

The Company has established an audit committee of the Board (the “**Audit Committee**”) with written terms of reference in compliance with the GEM Listing Rules and aligned with the provision of the code provisions set out in the CG Code. The Audit Committee's principal duties are, among other things, to review and supervise the Company's financial reporting process and internal control systems and to provide advice and comments to the Board. Members of the Audit Committee are Mr. Wong Yau Sing (chairman of the Audit Committee), Mr. Wong Cho Kei Bonnie and Ms. Wong Pui Man, all of them being independent non-executive Directors.

The first quarterly financial information of the Group for the three months ended 31 March 2020 has not been audited. The Audit Committee has reviewed with management on the first quarterly financial information of the Group for the three months ended 31 March 2020, the first quarterly report, the accounting principles and practices adopted by the Group, and other financial reporting matters. The Audit Committee was satisfied that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By Order of the Board
Ahsay Backup Software Development Company Limited
Chong King Fan
Chairman and Executive Director

Hong Kong, 8 May 2020

As at the date of this announcement, the executive Directors are Mr. CHONG King Fan, Mr. CHONG Siu Pui, Mr. CHONG Siu Ning and Ms. CHONG Siu Fan; and the independent non-executive Directors are Mr. WONG Cho Kei Bonnie, Ms. WONG Pui Man and Mr. WONG Yau Sing.

This announcement will remain on the “Latest Listed Company Announcements” page on the GEM website at www.hkgem.com for at least 7 days from the date of its posting and will also be published on the Company's website at <http://www.ahsay.com.hk>.