



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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG
KONG LIMITED (THE “STOCK EXCHANGE”)**

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

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

*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 six months ended 30 June 2021 was approximately HK\$24.4 million, representing a decrease of approximately 12.5% from approximately HK\$27.9 million for the corresponding period in 2020.
- Loss attributable to owners of the parent for the six months ended 30 June 2021 was approximately HK\$8.1 million as compared to approximately HK\$2.4 million for the corresponding period in 2020.
- Segment losses of approximately HK\$7.9 million and HK\$2.1 million were recorded from online backup software and related services segment for the six months ended 30 June 2021 and 2020 respectively.
- Segment losses of approximately HK\$0.4 million and HK\$1.8 million were recorded from information platform segment for the six months ended 30 June 2021 and 2020 respectively.
- Basic and diluted loss per share were HK0.41 cent for the six months ended 30 June 2021.
- The Board did not recommend the payment of any dividend for the six months ended 30 June 2021.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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 six months ended 30 June 2021 together with the unaudited and restated comparative figures for the corresponding period in 2020 (“**2020 Q2 Results**”) as set out below.

The restatement of 2020 Q2 Results is due to the prior period adjustments (“**Prior Period Adjustments**”), which have been disclosed in the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2020 and note 2.3 of the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021

	NOTES	Three months ended 30 June		Six months ended 30 June	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited and restated)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited and restated)
Revenue	3	12,339	13,349	24,424	27,914
Cost of inventories sold		(119)	(81)	(262)	(87)
Other income	4	112	892	208	1,280
Other (losses) gains		(52)	42	(149)	(32)
Staff costs and related expenses	5	(11,764)	(11,758)	(24,342)	(23,150)
Other expenses	6	(4,145)	(4,069)	(8,004)	(8,377)
Finance costs	7	(62)	(89)	(122)	(179)
Loss before tax		(3,691)	(1,714)	(8,247)	(2,631)
Income tax (expense) credit	8	(56)	15	(123)	(113)
Loss for the period		(3,747)	(1,699)	(8,370)	(2,744)
Attributable to:					
Owners of the parent		(3,648)	(1,511)	(8,149)	(2,420)
Non-controlling interests		(99)	(188)	(221)	(324)
		(3,747)	(1,699)	(8,370)	(2,744)
Other comprehensive (loss) income					
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences arising on translation of foreign operations		(104)	222	(169)	130
Other comprehensive (loss) income for the period		(104)	222	(169)	130
Total comprehensive loss for the period		(3,851)	(1,477)	(8,539)	(2,614)
Attributable to:					
Owners of the parent		(3,753)	(1,288)	(8,338)	(2,288)
Non-controlling interests		(98)	(189)	(201)	(326)
		(3,851)	(1,477)	(8,539)	(2,614)
Loss per share attributable to ordinary equity holders of the parent					
— Basic and diluted (HK cent)	10	(0.18)	(0.07)	(0.41)	(0.12)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2021

	<i>NOTES</i>	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	<i>11</i>	13,467	13,297
Right-of-use assets		1,697	2,925
Goodwill		706	706
Other intangible assets	<i>12</i>	2,400	2,428
Deferred tax asset		141	141
Deposits paid	<i>13</i>	52	13
		18,463	19,510
CURRENT ASSETS			
Inventories		155	93
Trade and other receivables	<i>13</i>	4,025	4,357
Financial asset at amortised cost		—	1,563
Tax recoverable		910	1,059
Bank balances and cash		64,270	72,850
		69,360	79,922
CURRENT LIABILITIES			
Other payables and accruals	<i>14</i>	5,535	5,506
Contract liabilities	<i>15</i>	13,438	14,640
Lease liabilities		1,547	3,041
Other borrowings	<i>16</i>	1,829	1,811
Tax payable		47	188
		22,396	25,186
NET CURRENT ASSETS		46,964	54,736
TOTAL ASSETS LESS CURRENT LIABILITIES		65,427	74,246
NON-CURRENT LIABILITIES			
Contract and other liabilities	<i>15</i>	723	1,252
Lease liabilities		194	—
Deferred tax liabilities		97	42
		1,014	1,294
NET ASSETS		64,413	72,952
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>17</i>	20,000	20,000
Reserves		45,268	53,606
		65,268	73,606
Non-controlling interests		(855)	(654)
		64,413	72,952

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the parent						Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital and other reserves HK\$'000 (note i)	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1 January 2020 (audited)	20,000	72,435	3,395	117	(19,240)	76,707	131	76,838
Loss for the period (restated)	—	—	—	—	(2,420)	(2,420)	(324)	(2,744)
Other comprehensive income (loss) for the period								
Exchange differences arising on translation of foreign operations	—	—	—	132	—	132	(2)	130
Total comprehensive income (loss) for the period	—	—	—	132	(2,420)	(2,288)	(326)	(2,614)
At 30 June 2020 (unaudited)	<u>20,000</u>	<u>72,435</u>	<u>3,395</u>	<u>249</u>	<u>(21,660)</u>	<u>74,419</u>	<u>(195)</u>	<u>74,224</u>
At 1 January 2021 (audited)	20,000	72,435	3,395	680	(22,904)	73,606	(654)	72,952
Loss for the period	—	—	—	—	(8,149)	(8,149)	(221)	(8,370)
Other comprehensive (loss) income for the period								
Exchange differences arising on translation of foreign operations	—	—	—	(189)	—	(189)	20	(169)
Total comprehensive loss for the period	—	—	—	(189)	(8,149)	(8,338)	(201)	(8,539)
At 30 June 2021 (unaudited)	<u>20,000</u>	<u>72,435</u>	<u>3,395</u>	<u>491</u>	<u>(31,053)</u>	<u>65,268</u>	<u>(855)</u>	<u>64,413</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 and 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 a 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\$702,000 representing the changes in non-controlling interests arising from the additional capital contribution by the Group.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited and restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(8,247)	(2,631)
Adjustments for:		
Finance costs	122	179
Amortisation of other intangible assets	28	838
Interest income	(103)	(698)
Depreciation of property, plant and equipment	725	519
Depreciation of right-of-use assets	1,475	1,475
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(6,000)	(318)
Increase in inventories	(62)	(18)
Decrease in trade and other receivables and rental deposits paid	273	591
Increase (decrease) in other payables and accruals	44	(1,336)
(Decrease) increase in contract and other liabilities	(1,722)	1,688
	<hr/>	<hr/>
Cash (used in) generated from operations	(7,467)	607
Income taxes paid, net	(60)	(2,652)
	<hr/>	<hr/>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(7,527)	(2,045)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to development cost capitalised as other intangible assets	—	(253)
Purchase of property, plant and equipment	(1,097)	(8,013)
Redemption of financial asset at amortised cost	1,563	—
Interest received	103	698
	<hr/>	<hr/>
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	569	(7,568)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	(1,543)	(1,457)
New other borrowings	78	—
Interest paid	(122)	(179)
	<hr/>	<hr/>
CASH USED IN FINANCING ACTIVITIES	(1,587)	(1,636)
	<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,545)	(11,249)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	72,850	86,538
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(35)	(53)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 30 JUNE, represented by bank balances and cash	64,270	75,236
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 GEM of The Stock Exchange of Hong Kong Limited (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, P.O. 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

The unaudited condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with HKAS 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the Group’s annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s unaudited condensed consolidated financial statements.

Amendments to HKFRS 9,
HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform — Phase 2

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative Risk-free rate (“RFR”). The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

The amendments did not have any significant impact on the Group’s unaudited condensed consolidated financial statements.

2.3 PRIOR PERIOD ADJUSTMENTS

In preparing the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2020, the directors had noted that there was an apportionment error of revenue recognition in respect of certain software upgrades and maintenance services contracts adopted by the Group in its previously issued unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020. The amounts presented in the unaudited interim condensed consolidated financial statements in respect of the three months and six months ended 30 June 2020 have been restated. The effects of the above to the amounts presented in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income are summarised as below:

	Three months ended 30 June 2020			Six months ended 30 June 2020		
	As reported	(Decrease)/ Increase	Restated	As reported	(Decrease)/ Increase	Restated
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Revenue						
Software upgrades and maintenance services	5,804	(274)	5,530	11,652	(597)	11,055
Loss for the period	1,425	274	1,699	2,147	597	2,744
Attributable to:						
Owners of the parent	1,237	274	1,511	1,823	597	2,420
Loss per share attributable to ordinary equity holders of the parent						
— Basic and diluted (HK cent)	0.06	0.01	0.07	0.09	0.03	0.12

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, and provision of other services
Information platform segment	— Provision of information sharing services, an analysis tool and sale of hardware devices

Segment revenue and results

Segment results represent the loss from each segment without allocation of other income and other losses that are not directly attributable to the segment as disclosed in the table below. 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 six months ended 30 June 2021 (unaudited)			For the six months ended 30 June 2020 (unaudited and restated)		
	Online backup software and related services HK\$'000	Information platform HK\$'000	Total HK\$'000	Online backup software and related services HK\$'000	Information platform HK\$'000	Total HK\$'000
Segment revenue — External						
Software license sales	2,188	—	2,188	4,328	—	4,328
Software license leasing	9,180	—	9,180	11,255	—	11,255
Software upgrades and maintenance services	10,619	—	10,619	11,055	—	11,055
Other services	600	—	600	642	—	642
Sale of hardware devices	—	310	310	—	75	75
Information sharing service income	—	81	81	—	70	70
Subscription fees	—	1,446	1,446	—	489	489
Total revenue	22,587	1,837	24,424	27,280	634	27,914
Timing of revenue recognition						
At a point in time	2,228	391	2,619	4,349	145	4,494
Over time	20,359	1,446	21,805	22,931	489	23,420
	22,587	1,837	24,424	27,280	634	27,914
Segment loss	(7,919)	(387)	(8,306)	(2,129)	(1,750)	(3,879)
Unallocated incomes and expenses						
Other income			208			1,280
Other losses			(149)			(32)
Loss before tax			(8,247)			(2,631)

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

	At 30 June 2021 (unaudited)			At 31 December 2020 (audited)		
	Online backup software and related services HK\$'000	Information platform HK\$'000	Total HK\$'000	Online backup software and related services HK\$'000	Information platform HK\$'000	Total HK\$'000
Reportable segment assets						
Segment assets	23,024	529	23,553	24,667	352	25,019
Reconciliation:						
Unallocated assets						
Financial asset at amortised cost			—			1,563
Bank balances and cash			64,270			72,850
Consolidated assets			87,823			99,432
Reportable segment liabilities						
Segment liabilities	21,742	1,668	23,410	25,187	1,293	26,480

4. OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Bank interest income	4	325	27	685
Interest income on refundable rental deposits	7	6	14	13
Interest income on financial asset at amortised cost	28	—	62	—
Government subsidies (<i>Note</i>)	—	538	—	538
Sundry income	73	23	105	44
	112	892	208	1,280

Note: Government subsidies related to cash subsidies granted by the Government of the Hong Kong Special Administrative Region under The Employment Support Scheme. During the six months ended 30 June 2020, approximately HK\$1,614,000 was received, in which approximately HK\$538,000 was recognised.

5. STAFF COSTS AND RELATED EXPENSES

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Directors' emoluments	2,403	2,548	4,951	5,096
Other staff costs				
— Salaries, allowances and benefits in kind and performance and other bonuses	9,006	8,869	18,736	17,577
— Retirement benefit scheme contributions, excluding directors' retirement contributions	235	321	513	559
Total directors' and staff costs	11,644	11,738	24,200	23,232
Less: Development cost capitalised	—	—	—	(253)
Total directors' and staff cost, net of development cost capitalised	11,644	11,738	24,200	22,979
Staff related expenses	120	20	142	171
Staff costs and related expenses	<u>11,764</u>	<u>11,758</u>	<u>24,342</u>	<u>23,150</u>
Research and development costs included in staff costs and related expenses	<u>4,737</u>	<u>4,396</u>	<u>10,144</u>	<u>8,184</u>

6. OTHER EXPENSES

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Auditor's remuneration	223	200	423	400
Advertising and marketing expenses	645	580	1,250	1,180
Amortisation of other intangible assets	14	452	28	838
Legal and professional fees	489	322	814	968
Depreciation of property, plant and equipment	383	271	725	519
Depreciation of right-of-use assets	737	737	1,475	1,475
Expenses related to short-term leases	38	42	115	85
Rates and property management fees	149	143	305	283
Merchant credit card charges	362	410	672	749
Electricity and water	113	80	199	156
Web hosting expenses	229	113	446	259
Others	763	719	1,552	1,465
	<u>4,145</u>	<u>4,069</u>	<u>8,004</u>	<u>8,377</u>

7. FINANCE COSTS

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest expenses on:				
Lease liabilities	38	75	77	150
Other borrowings	24	14	45	29
	<u>62</u>	<u>89</u>	<u>122</u>	<u>179</u>

8. INCOME TAX EXPENSE (CREDIT)

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax:				
Hong Kong Profits Tax	41	—	72	69
Over provision in prior periods	(4)	—	(4)	—
Deferred tax	19	(15)	55	44
	<u>56</u>	<u>(15)</u>	<u>123</u>	<u>113</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 subject to Hong Kong Profits Tax at the rate of 8.25% (2020: 8.25%) for the first HK\$2 million (2020: HK\$2 million) of estimated assessable profits and at 16.5% (2020: 16.5%) on the estimated assessable profits above HK\$2 million (2020: HK\$2 million). Other subsidiaries of the Company are subject to Hong Kong Profits Tax at the rate of 16.5% for the six months ended 30 June 2021 and 2020, 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 the six months ended 30 June 2021 and 2020.

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		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited and restated)
Loss attributable to ordinary equity holders of the parent	<u>(3,648)</u>	<u>(1,511)</u>	<u>(8,149)</u>	<u>(2,420)</u>

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share calculation	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2021 and 2020.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired items of property, plant and equipment at costs of approximately HK\$1.1 million (six months ended 30 June 2020: approximately HK\$9.6 million).

12. OTHER INTANGIBLE ASSETS

The other intangible assets represent the capitalised development costs incurred in developing the online backup software (i.e. the internally-generated intangible assets) and customer relationships acquired. The capitalised development costs are mainly employee related costs directly attributable to development activities. The other intangible assets comprise the following:

	30 June	31 December
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Development costs	2,354	2,354
Customer relationships	<u>46</u>	<u>74</u>
	<u>2,400</u>	<u>2,428</u>

Development costs for the next version of the Group's core backup product, amounting to HK\$2,354,000 (2020: HK\$2,354,000) — The Group will periodically launch a new version of their core backup product to the market and they are currently in the progress of developing the next version, which is expected to be launched in late 2021 or early 2022.

The other intangible assets also included customer relationships of HK\$167,000 acquired through a business combination. During the six months ended 30 June 2021, the amortisation was approximately HK\$28,000 (six months ended 30 June 2020: approximately HK\$65,000).

13. TRADE AND OTHER RECEIVABLES/DEPOSITS PAID

	30 June 2021 HK\$'000 (unaudited)	31 December 2020 HK\$'000 (audited)
Current assets		
Trade receivables — aged within 30 days, based on the invoice date	1,809	2,121
Rental and utility deposits	951	1,017
Prepaid operating expenses and other receivables	1,265	1,219
	<u>4,025</u>	<u>4,357</u>
Total	<u>4,025</u>	<u>4,357</u>
Non-current asset		
Deposits paid	<u>52</u>	<u>13</u>

The Group's trade receivables consist of receivables from customers and credit card companies. The Group's sales are generally made through the internet where payment is normally required before delivery of software licenses and provision of services. For software license leasing which charges the customers monthly license fees on a pay-as-you-go basis, the Group offers a credit period of 14-30 days to these customers.

For the review of credit risk of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date which credit is initially granted up to the end of the reporting period.

14. OTHER PAYABLES AND ACCRUALS

Other payables are non-interest bearing. The aging of other payables was less than one year, based on the invoice date.

15. CONTRACT AND OTHER LIABILITIES

	30 June 2021 <i>HK\$'000</i> (unaudited)	31 December 2020 <i>HK\$'000</i> (audited)
Trade and other deposits from customers	2,465	2,174
Advances received for software upgrades and maintenance services	11,442	13,387
Advances received for other services	27	44
	<hr/>	<hr/>
Total contract liabilities	13,934	15,605
Others	227	287
	<hr/>	<hr/>
	14,161	15,892
	<hr/>	<hr/>
Current	13,438	14,640
Non-current	723	1,252
	<hr/>	<hr/>
	14,161	15,892
	<hr/>	<hr/>

Typical payment terms which have an impact on the amount of contract liabilities recognised are as follows:

- **Trade and other deposits from customers and advances received for software upgrades and maintenance services**

When the Group receives a deposit before a service is rendered, this will give rise to a contract liability at the beginning of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

16. OTHER BORROWINGS

	Effective interest rate per annum %	Maturity	30 June 2021 <i>HK\$'000</i> (unaudited)	31 December 2020 <i>HK\$'000</i> (audited)
Current				
Other loans — unsecured (<i>Note (a)</i>)	4.6	2021	1,829	1,811
			<hr/>	<hr/>

Note:

- (a) Other borrowings of the Group are denominated in Korean Won (“**KRW**”), unsecured, and bear interest at variable market rates.

17. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	<u>2,000,000,000</u>	<u>20,000</u>

18. RELATED PARTY TRANSACTIONS

(a) Transactions with a related party:

The Group entered into the following significant transactions with a related party during the periods:

Name of related company	Nature of transactions	Six months ended 30 June	
		2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Assets Sino Investments (HK) Limited*	Lease payments	<u>1,560</u>	<u>1,560</u>

* Assets Sino Investments (HK) Limited is under common control of certain shareholders and directors of the Company, and hence, it is a related party of the Group.

(b) Compensation of key management personnel:

The remuneration of key management, including all directors and the chief executive of the Company during the periods are as follows:

	Six months ended 30 June	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Short-term benefits	6,822	7,068
Post-employment benefits	<u>54</u>	<u>54</u>
	<u>6,876</u>	<u>7,122</u>

FINANCIAL REVIEW

Overview

During the six months ended 30 June 2021 and 2020, the Group recorded revenues of approximately HK\$24.4 million and HK\$27.9 million respectively, representing a decrease of approximately 12.5%. The Group recorded a loss attributable to owners of the parent of approximately HK\$8.1 million for the six months ended 30 June 2021 as compared to a loss of approximately HK\$2.4 million for the corresponding period in 2020.

The increase of loss was mainly attributable to (i) the decrease in revenue derived from the Group's online backup business as affected by the adverse impact from the prolonged novel coronavirus ("COVID-19") pandemic especially in Europe, (ii) the increase in staff cost mainly due to the continued strengthening of our development team by replacement of experienced staff, increasing headcount and the decrease in development cost capitalised in order to focus on existing product refinement; and (iii) the decrease in other income as a result of the absence of subsidies granted to the Group under the Employment Support Scheme (the "ESS") launched by the Government of the Hong Kong Special Administrative Region ("HKSAR Government") in current period; which was partially offset by the increase in revenue derived from increase in subscription of the Group's information platform as compared with the corresponding period in 2020.

Revenue

The Group's revenue principally represented income derived from software license sales and leasing, software upgrades and maintenance services, subscription fees of information platform and other services. Revenue of approximately HK\$24.4 million and HK\$27.9 million were recognised for the six months ended 30 June 2021 and 2020 respectively, representing a decrease of approximately 12.5%.

The decrease in revenue for the six months ended 30 June 2021 was mainly due to the decrease in revenue derived from the Group's online backup business as affected by the adverse impact from the prolonged COVID-19 pandemic especially in Europe; and was partially offset by the increase in revenue derived from increase in subscription of the Group's information platform compared with the corresponding period in 2020.

Other Income

Other income decreased by approximately HK\$1.1 million or 84.6%, to approximately HK\$0.2 million for the six months ended 30 June 2021 from approximately HK\$1.3 million for the six months ended 30 June 2020. The decrease in other income for the six months ended 30 June 2021 was mainly due to the decrease in bank interest income as a result of the decrease in the average interest rate of time deposits and the absence of subsidies granted to the Group under the ESS launched by the HKSAR Government as compared with the corresponding period in 2020.

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\$1.1 million or 4.7%, to approximately HK\$24.3 million for the six months ended 30 June 2021 from approximately HK\$23.2 million for the six months ended 30 June 2020.

The increase in staff costs and related expenses for the six months ended 30 June 2021 was mainly due to (i) the continued strengthening of our development team by replacement of experienced staff, (ii) the increase in headcount and (iii) the decrease in development cost capitalised in order to focus on existing product refinement as compared with the corresponding period in 2020.

Other Expenses

Other expenses primarily comprised depreciation, advertising and marketing expenses, merchant credit card charges, legal and professional fees and other regular office expenses such as utilities. Other expenses decreased by approximately HK\$0.4 million or 4.8%, to approximately HK\$8.0 million for the six months ended 30 June 2021 from approximately HK\$8.4 million for the six months ended 30 June 2020.

The decrease in other expenses was mainly due to the decrease in amortization of other intangible assets in relation to the Ahsay™ Backup Software Version 8 (“**Version 8**”) being fully amortised during the year ended 31 December 2020; which was partially offset by the increase in depreciation of property, plant and equipment and web hosting expenses for the Group's daily operation.

Income Tax Expense

The Group recorded income tax expense of approximately HK\$0.1 million for the six months ended 30 June 2021, which had no significant movement as compared with the corresponding period in 2020.

Loss for the Period

The Group recorded a loss of approximately HK\$8.4 million for the six months ended 30 June 2021 as compared to a loss of approximately HK\$2.7 million for the corresponding period in 2020. Among the loss for the period, approximately HK\$7.9 million and HK\$0.4 million segment losses were incurred from the Group's online backup software and related services segment and information platform segment, respectively.

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 licensed banks in Hong Kong and Singapore and denominated mainly 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 30 June 2021, the Group's current assets were approximately HK\$69.4 million (31 December 2020: approximately HK\$79.9 million). The Group remained at a net cash position as at 30 June 2021 and 31 December 2020, 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 30 June 2021, there was no charge on assets of the Group (31 December 2020: nil).

Capital Structure

The capital structure of the Company comprised of ordinary shares only. As at 30 June 2021, 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 30 June 2021, the Group's gearing ratio, calculated as interest-bearing liabilities divided by the total equity, was approximately 2.8% (31 December 2020: 2.5%).

Capital Commitments and Contingent Liabilities

The Group had no significant capital commitments and contingent liabilities as at both 30 June 2021 and 2020.

Segmental Information

An analysis of the Group's performance for the six months ended 30 June 2021 by business segment is set out in note 3 to the financial statements.

Material Acquisitions and Disposals

There was no material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2021 and 2020, respectively.

BUSINESS REVIEW

With our major customers situated in Europe, the negative impact from the on-going COVID-19 pandemic on the region has continually affected our online backup business. The revenue derived from the Group's online backup software and its related services decreased by approximately HK\$4.7 million or 17.2% from approximately HK\$27.3 million for the six months ended 30 June 2020 to approximately HK\$22.6 million for the six months ended 30 June 2021.

On the other side, the revenue derived from the Group's information platform increased by approximately HK\$1.2 million or 200% from approximately HK\$0.6 million for the six months ended 30 June 2020 to approximately HK\$1.8 million for the six months ended 30 June 2021.

Total revenue of the Group decreased by approximately HK\$3.5 million or 12.5% from approximately HK\$27.9 million for the six months ended 30 June 2020 to approximately HK\$24.4 million for the six months ended 30 June 2021.

OUTLOOK

Core Backup Business

Our current version, Version 8 is an advanced client-server based on-premises and cloud backup software solution for businesses and managed service providers ("MSPs"). The whole solution can be deployed within a company to back up all virtual machines, servers, desktops and laptops. MSPs can also use it for offering secure managed backup service to their clients.

Version 8 comes with a web based central management console for system administrator to easily manage the whole backup system through any web browser. Also, it supports various features including Microsoft SharePoint Online Backup and has further enhanced the existing Office 365 backup features such as the support of Office 365 Modern Authentication, quick multiple users selection and others.

As the COVID-19 pandemic ran rampant across the globe in 2020, more people have turned towards their mobile devices as the primary tool to complete necessary and essential tasks. With the diverse and advanced capabilities of mobile devices, mobile application development has become an inevitable trend.

In early 2021, a new Ahsay Mobile app (“**Ahsay Mobile**”) has been introduced in the latest version of Ahsay™ Backup Software to provide customers with mobile backup solution. Ahsay Mobile users can access to critical business or personal data flexibly by using the backup and restore feature for photos and videos on mobile devices. In addition to the mobile backup solution, in order to protect the loss of data caused by cyber threats or unauthorized users, an enhanced Two-Factor Authentication has been introduced to provide additional security options for our customers.

With the enhancement of the functionalities, we believe Version 8 has improved user experience for our customers. We are also in the process of developing our next version of backup software to cope with our customers’ future needs.

Currently, the Group has also launched a new cloud-based backup subscription solution, named CloudBacko Go which is a SaaS (Software as a Service) model for individuals, SOHOs (Small Office Home Office) and enterprises. We would continue to invest in our SaaS products and related services in order to provide superior customer experiences and increase our market share in the backup software sector for the coming years.

Information Platform

The Group has developed information platforms, named KINBOY (堅仔) which is an information analysis tool and KINTIPS (堅料) for information sharing. Those platforms are mainly deployed on mobile-application.

KINBOY is an all-in-one platform for horse racing information to provide users an alternative way to access information electronically. The 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 horses, odds trend and forecast of first two races for catch-up viewing; while paid members can access detailed information for full day races.

Apart from KINBOY, minimal revenue contributions are derived from information sharing platform via KINTIPS; which is a platform designed for information providers and subscribers to share information via its website and mobile application.

Nowadays, it is common to see people getting updates on the latest information from the internet. Online information can be updated frequently and searched quickly. To browse information, most users are accustomed to use mobile devices. With the Group’s experience in the information technology industry, we believe the Group can further diversify its business into the mobile-application industry in the foreseeable future. For the six months ended 30 June 2021, the revenue contribution of the information platform to the Group increased notably as compared with the corresponding period in 2020.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

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

As at 30 June 2021, 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:

1. As at 30 June 2021, the Company had 2,000,000,000 Shares in issue.
2. As at 30 June 2021, 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 30 June 2021, 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

As at 30 June 2021, 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 30 June 2021, 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 30 June 2021, 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” in this announcement, at no time during the six months ended 30 June 2021 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 six months ended 30 June 2021, the Directors were 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 six months ended 30 June 2021.

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 six months ended 30 June 2021.

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.

Employees and Remuneration Policy

As at 30 June 2021, the Group had a workforce of 121 employees (30 June 2020: 107). The increase in number of employees was mainly due to human resources allocation to the representative office in the Philippines. Total directors and staff costs for the six months ended 30 June 2021 was approximately HK\$24.2 million, representing an increase of approximately HK\$1.0 million as compared to that of the corresponding period in 2020.

Remuneration is determined with reference to the duties, responsibilities, experience, performance and competence of individual employee and Director. In addition to salaries and discretionary bonuses relating to the performance of the Group, employee benefit included the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The Group has not participated in any other pension schemes for the employees in Hong Kong. Most of the employees engaged outside Hong Kong are covered by appropriate local arrangements. The emoluments of the Directors are reviewed annually by the remuneration committee of the Board (“**Remuneration Committee**”).

As incentives and rewards for their contributions to the Group, the employees of the Group and all the Directors (including the independent non-executive Directors (“**INEDs**”)) may also be granted share options by the Company from time to time pursuant to the share option scheme adopted on 4 September 2015.

The Group provides various training to its employees to enhance their technical skills and knowledge relevant to the employees’ responsibilities.

During the six months ended 30 June 2021, the Group did not experience any strikes, work stoppages or significant labour disputes which would have affected its operations in the past and it did not experience any significant difficulties in recruiting and retaining qualified staff.

Purchase, Redemption or Sale of Listed Securities of the Company

During the six months ended 30 June 2021 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 interim financial information of the Group for the six months ended 30 June 2021 has not been audited. The Audit Committee has reviewed with management on the interim financial information of the Group for the six months ended 30 June 2021, the interim 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, 6 August 2021

As at the date of this announcement, the executive Directors are Mr. CHONG King Fan, Mr. CHONG Siu Pui, Mr. CHONG Siu Ning; the non-executive Director is 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>.