



**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)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")**

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, 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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*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 (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.*

## RESULTS

The board of Directors of the Company (the “Board”) is pleased to present the audited results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2015, together with comparative audited figures for the corresponding period in 2014 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	NOTES	2015 HK\$'000	2014 HK\$'000
<b>Continuing operation</b>			
Revenue	4	57,266	53,973
Cost of inventory sold		(352)	(143)
Other income		389	2,102
Other gains and losses		(762)	2,060
Gain on disposal of property, plant and equipment	5	53,546	—
Staff costs and related expenses		(38,237)	(30,890)
Other expenses		(11,515)	(7,972)
Listing expenses		(15,235)	—
Finance costs		(914)	(1,031)
Profit before tax from continuing operation		44,186	18,099
Income tax expense	6	(1,617)	(3,402)
Profit for the year from continuing operation	7	42,569	14,697
<b>Discontinued operation</b>			
Profit for the year from discontinued operation	8	2,793	3,770
Profit for the year		45,362	18,467
<b>Other comprehensive expense</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating a foreign operation		(12)	(6)
Other comprehensive expense for the year		(12)	(6)
Total comprehensive income for the year		45,350	18,461
<b>Earnings per share</b>			
From continuing and discontinued operations			
Basic and diluted (HK cents)	10	2.91	1.47
From continuing operation			
Basic and diluted (HK cents)	10	2.73	1.17

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	NOTES	2015 HK\$'000	2014 HK\$'000
Non-current assets			
Property, plant and equipment		<b>604</b>	29,200
Investment properties		—	47,700
Rental deposits paid	11	<b>470</b>	220
Deferred tax assets		<b>305</b>	—
		<b>1,379</b>	77,120
Current assets			
Inventories		<b>34</b>	—
Trade and other receivables	11	<b>5,652</b>	2,040
Amounts due from related parties		—	8,484
Loan to a related party		—	13,187
Tax recoverable		<b>1,154</b>	227
Held for trading investments		—	6,811
Bank balances and cash		<b>104,311</b>	11,865
		<b>111,151</b>	42,614
Current liabilities			
Other payables and accruals		<b>6,800</b>	6,146
Amounts due to related parties		—	5,394
Tax payable		—	15
Deposits and fees received in advance		<b>13,361</b>	15,423
Bank borrowings — due within one year		<b>10,137</b>	45,908
		<b>30,298</b>	72,886
Net current assets (liabilities)		<b>80,853</b>	(30,272)
Total assets less current liabilities		<b>82,232</b>	46,848
Non-current liabilities			
Deposits and fees received in advance		<b>868</b>	1,036
Deferred tax liabilities		—	378
Rental deposits received		—	140
Provision for long service payments		<b>280</b>	258
		<b>1,148</b>	1,812
Net assets		<b>81,084</b>	45,036
Capital and reserves			
Share capital		<b>20,000</b>	1,010
Reserves		<b>61,084</b>	44,026
		<b>81,084</b>	45,036

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Translation Reserve HK\$'000	Accumulated profits (losses) HK\$'000	Total HK\$'000
At 1 January 2014	1,000	—	—	—	47,165	48,165
Profit for the year	—	—	—	—	18,467	18,467
Other comprehensive expenses for the year						
Exchange difference arising on translation of a foreign operation	—	—	—	(6)	—	(6)
Total comprehensive income for the year	—	—	—	(6)	18,467	18,461
Issuance of share capital by a subsidiary	10	—	—	—	—	10
Dividends declared	—	—	—	—	(21,600)	(21,600)
At 31 December 2014	1,010	—	—	(6)	44,032	45,036
Profit for the year	—	—	—	—	45,362	45,362
Other comprehensive expenses for the year						
Exchange difference arising on translation of a foreign operation	—	—	—	(12)	—	(12)
Total comprehensive income for the year	—	—	—	(12)	45,362	45,350
Issue of share capital by a subsidiary	190	—	—	—	—	190
Effects of group reorganisation (note i)	(1,200)	—	995	—	—	(205)
Deemed capital contribution (note ii)	—	—	3,102	—	—	3,102
Issue of shares	5,000	95,000	—	—	—	100,000
Transaction costs attributable to issue of shares	—	(7,565)	—	—	—	(7,565)
Capitalisation issue	15,000	(15,000)	—	—	—	—
Dividends declared	—	—	—	—	(104,824)	(104,824)
At 31 December 2015	20,000	72,435	4,097	(18)	(15,430)	81,084

- i. As part of the Group Reorganisation (as defined on note 2), on 2 April 2015, Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui, Mr. Chong Siu Ning (collectively the “Controlling Shareholders”) transferred their 100% equity interest in CloudBacko Corporation (“CloudBacko BVI”) to Apex Ace Investments Limited (“Apex Ace”), a wholly owned subsidiary of the Company, for a consideration of HK\$166,000. Further on 27 April 2015, the Controlling Shareholders transferred their 100% equity interest in CloudBacko Limited (“CloudBacko HK”) to Apex Ace for a consideration of HK\$39,000. The difference between the total considerations paid amounting to HK\$205,000 to the Controlling Shareholders and the share capital of CloudBacko BVI and CloudBacko HK of HK\$200,000 is regarded as an equity movement, and recorded in “Capital reserve”.

Further on 5 May 2015, the Controlling Shareholders transferred their 100% equity interest in Ahsay Systems Corporation Limited (“Ahsay HK”) to Alpha Heritage Holdings Limited (“Alpha Heritage”), a wholly owned subsidiary of the Company, for 1 ordinary share at par value of United States Dollar (“US\$”) 1.00 each in the share capital of Alpha Heritage. The difference between the par value of the share issued by Alpha Heritage of US\$1.00 and the share capital of Ahsay HK of HK\$1,000,000 is regarded as an equity movement, and recorded in “Capital reserve”.

- ii. Amount include (i) deemed capital contribution from the shareholders of CloudBacko BVI with regard to waiver of amounts due to shareholders of HK\$2,000,000 in March 2015 and (ii) deemed capital contribution of HK\$1,102,000 from the Controlling Shareholders upon disposal of a subsidiary during the Group Reorganisation.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. General

The Company was incorporated in the Cayman Islands on 10 April 2015 as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were first listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 8 October 2015 (the "Listing").

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

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

## 2. Group Reorganisation and Basis of Presentation of Consolidated Financial Statements

Pursuant to the group reorganisation as described below, the Company became the holding company of the companies now comprising the Group on 1 June 2015 (the "Group Reorganisation").

Prior to the Group Reorganisation, Ahsay HK, CloudBacko HK and CloudBacko BVI were owned by the Controlling Shareholders, i.e. Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning as to 40%, 30% and 30% respectively. Ahsay System Corporation (Chongqing) Limited and Million Victory Investment Management Limited ("Million Victory") were the wholly-owned subsidiaries of Ahsay HK.

In preparation for the listing of the Company's shares on the GEM of the Stock Exchange, the Group Reorganisation involved the following steps:

- (1) On 10 March 2015, All Divine Investments Limited ("All Divine") and Alpha Heritage were incorporated as limited liability company in the British Virgin Islands ("BVI").
- (2) On 11 March 2015, Able Future Investments Limited ("Able Future") and Apex Ace were incorporated as limited liability company in the BVI.
- (3) On 25 March 2015, ten shares with a nominal value of US\$1.00 per share of Able Future were allotted and issued as fully paid to the Controlling Shareholders. On the same day, Able Future subscribed for one share of All Divine at the subscription price of US\$1.00. Further, All Divine subscribed for one share of Alpha Heritage at the subscription price of US\$1.00 and Alpha Heritage subscribed for one share of Apex Ace at the subscription price of US\$1.00.
- (4) On 2 April 2015, the Controlling Shareholders transferred the entire equity interest in CloudBacko BVI to Apex Ace at the consideration of US\$21,000 (equivalent to HK\$166,000).
- (5) On 9 April 2015, Ahsay HK disposed of the entire equity interest in Million Victory to Able Future at the consideration of HK\$2,664,000. Able Future is not a company comprising the Group.
- (6) On 10 April 2015, the Company was incorporated in the Cayman Islands as an exempted company with limited liability with authorised share capital comprised of 38,000,000 shares at par value of HK\$0.01 per share. On the same date, the Company allotted and issued one share to a third party initial subscriber which then transferred the share to All Divine.
- (7) On 27 April 2015, the Controlling Shareholders transferred the entire equity interest in CloudBacko HK to Apex Ace at the consideration of HK\$39,000.
- (8) On 5 May 2015, the Controlling Shareholders transferred the entire equity interest in Ahsay HK to Alpha Heritage in exchange for allotment and issue of one share of Alpha Heritage to All Divine.

- (9) On 1 June 2015, All Divine transferred the entire equity interest in Alpha Heritage to the Company in exchange for allotment and issue of one share of the Company to All Divine.
- (10) On 8 June 2015, Alpha Heritage transferred the entire equity interest in Apex Ace to the Company by way of distribution in specie.

Upon completion of the above steps, the Company was owned by the Controlling Shareholders through All Divine and the Company became the holding company of the companies now comprising the Group on 1 June 2015. The Group comprising the Company and its subsidiaries resulting from the Group Reorganisation is regarded as a continuing entity.

The consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity of the Group for the years ended 31 December 2015 and 2014 include the results of operations of the companies now comprising the Group as if the current group structure had been in existence and remained unchanged throughout the periods, or since their respective dates of incorporation when there is a shorter period, except for Million Victory which had been accounted for as a subsidiary since 1 January 2014 and until the completion of its disposal on 9 April 2015. The consolidated statement of financial position of the Group as at 31 December 2014 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence as at 31 December 2014, taking into account the respective dates of incorporation.

### 3. Application of New and Revised Hong Kong Financial Reporting Standards

The Group has not early applied the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>3</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>3</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>3</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>3</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception <sup>3</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2016.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

#### **HKFRS 9 *Financial Instruments***

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are generally measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company (the "Directors") anticipate that the adoption of HKFRS 9 in the future may have an impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

### **HKFRS 15 Revenue from Contracts with Customers**

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

#### 4. Revenue and Segment Information

Information reported to the Directors, being the chief operating decision maker (the "CODM"), for the purpose of resource allocation and assessment of segment performance focuses on types of goods or service 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 operating segments under HKFRS 8 *Operating Segments* are as follows:

Backup software service segment	—	Sales of software license rights and hardware devices, and the provision of software related upgrades, maintenance and other services
Properties investment segment	—	Lease of properties

Properties investment segment was disposed during the year. The segment information reported below does not include any amounts for this discontinued operation, which is described in more details in note 8. No revenue was contributed from this discontinued operation during both years.

#### Segment revenue and result

The Group's revenue represents the amount received and receivable for the sales of software license rights and hardware devices, and the provision of software related upgrades, maintenance and other services during the year, net of discounts and sales related taxes.

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Segment revenue — external:</b>		
Software license sales and leasing	<b>33,803</b>	30,579
Software upgrades and maintenance services fee	<b>21,612</b>	21,945
Other services fee	<b>1,377</b>	1,277
Sale of hardware devices	<b>474</b>	172
<b>Total revenue from continuing operation</b>	<b>57,266</b>	53,973
<b>Segment results</b>	<b>6,248</b>	13,969
Other income	<b>389</b>	2,102
Other gains and losses	<b>(762)</b>	2,060
Gain on disposal of property, plant and equipment	<b>53,546</b>	—
Listing expenses	<b>(15,235)</b>	—
Interest on loans from related parties	<b>—</b>	(32)
<b>Profit before tax from continuing operation</b>	<b>44,186</b>	18,099

## Segment assets and liabilities

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Reportable segment assets</b>		
Continuing operation:		
Backup software service	<u>7,065</u>	<u>31,450</u>
Reconciliation of reportable segment total to group total:		
Segment assets	7,065	31,450
Assets held under properties investment business	—	47,710
Unallocated assets:		
Bank balances and cash	104,311	11,865
Tax recoverable	1,154	227
Held for trading investments	—	6,811
Amounts due from related parties	—	8,484
Loan to a related party	—	13,187
Consolidated assets	<u>112,530</u>	<u>119,734</u>
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Reportable segment liabilities</b>		
Continuing operation:		
Backup software service	<u>31,446</u>	<u>39,117</u>
Reconciliation of reportable segment total to group total:		
Segment liabilities	31,446	39,117
Liabilities associated with properties investment business	—	30,172
Unallocated liabilities:		
Tax payable	—	15
Amounts due to related parties	—	5,394
Consolidated liabilities	<u>31,446</u>	<u>74,698</u>

## Non-current assets by geographical location

The Group's operations are substantially based in Hong Kong and almost all of its non-current assets as at 31 December 2015 and 2014 are located in Hong Kong, the principal place of business of the Group. Therefore, no further analysis of geographical information is presented.

## Revenue by geographical location

An analysis of the Group's revenue from external customers by geographical location, determined based on the location of the customers are detailed below:

	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
United States	<b>11,555</b>	10,498
Others (Note)	<b>45,711</b>	43,475
	<b>57,266</b>	53,973

*Note:* Including other countries which individually contributing less than 10% of the total revenue of the Group for each respective year.

## Information about major customers

There was no single customer contributing over 10% of the total revenue of the Group in both years.

## 5. Gain on Disposal of Property, Plant and Equipment

As part of the Group Reorganisation, Ahsay HK disposed of certain leasehold land and buildings to Assets Sino Investments (HK) Limited, a related company under common control of the Controlling Shareholders, for a consideration of HK\$81,900,000 in June 2015.

The fair value of such leasehold land and buildings at date of disposal has been arrived at on the basis of a valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("Jones Lang LaSalle"), an independent qualified professional valuer not connected with the Group.

Jones Lang LaSalle is a registered firm of the Hong Kong Institute of Surveyors and has appropriate qualifications and experience. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in similar location and conditions.

The carrying value of the leasehold land and buildings immediately before disposal was approximately HK\$28,354,000. Gain on disposal of property, plant and equipment of approximately HK\$53,546,000 was recognised during the year.

Payment of consideration amounting of HK\$28,280,000 was made in cash and the remaining HK\$53,620,000 was settled through current account. During the year, the Company declared a dividend of HK\$53,620,000 in form of distribution in specie of receivable from the related party under common control of the Controlling Shareholders be payable to its holding company (note 9).

## 6. Income Tax Expense

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
<b>Continuing operation:</b>		
Current tax:		
Hong Kong Profits Tax	<b>2,330</b>	3,423
Overprovision in prior year:		
Hong Kong Profits Tax	<b>(30)</b>	(18)
	<b>2,300</b>	3,405
Deferred tax	<b>(683)</b>	(3)
	<b>1,617</b>	3,402

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

The Group is subject to Hong Kong Profits Tax at a rate of 16.5% for both years.

Under the Law of People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiary is 25% for both years.

The tax expense for the year can be reconciled to the profit before tax from continuing operation per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Profit before tax	<b>44,186</b>	18,099
Tax at the Hong Kong Profits Tax rate of 16.5%	<b>7,291</b>	2,986
Tax effect of expenses not deductible for tax purpose	<b>2,642</b>	139
Tax effect of income not taxable for tax purposes	<b>(8,394)</b>	(31)
Tax effect of tax losses not recognised	<b>182</b>	257
Overprovision in prior years	<b>(30)</b>	(18)
Others	<b>(74)</b>	69
Tax expense for the year	<b>1,617</b>	3,402

## 7. Profit for the Year from Continuing Operation

	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
Profit for the year from continuing operation has been arrived at after charging (crediting):		
Directors' emoluments	<b>8,872</b>	9,842
Other staff costs		
— Salaries, allowances and benefits in kind and performance and other bonus	<b>27,052</b>	20,053
— Retirement benefits scheme contribution, excluding directors	<b>844</b>	711
Long-term employee benefit expenses	<b>290</b>	(74)
Total directors and staff costs	<b>37,058</b>	30,532
Staff related expenses	<b>1,179</b>	358
Staff costs and related expenses	<b>38,237</b>	30,890
Auditor's remuneration	<b>1,250</b>	76
Depreciation of property, plant and equipment	<b>690</b>	1,762

*Note:* The Group's research and development expenditure incurred and recognised as expense during the year are mainly employee related costs. In the opinion of the Directors, the employees who are engaged in research and development activities are also responsible for provision of maintenance services to the existing customers of the Group in daily operation. During the year, the total staff costs attributable to these employees who performed the above functions were approximately HK\$11,658,000 (2014: HK\$8,914,000). Given there is no reliable basis to allocate these staff costs directly attributable to research and development activities, any arbitrary allocation of such expense for disclosure of research and development expense is considered misleading.

## 8. Discontinued Operation/Disposal of a subsidiary and an investment property

### *Disposal of business through disposal of a subsidiary and an investment property*

The Group's properties investment business mainly comprised the investment properties owned by Million Victory and Ahsay HK for the purpose of capital appreciation and rental earnings.

As part of the Group Reorganisation, the Group disposed of the Group's properties investment business to several related parties that are under common control of the Controlling Shareholders. In April 2015, the entire equity interest in Million Victory, a subsidiary of the Group, was disposed to Able Future, for a consideration of HK\$2,664,000 and resulted a deemed capital contribution amounting to approximately HK\$1,102,000. Further in June 2015, an investment property owned by Ahsay HK was disposed to Atlantic Sky Global (HK) Limited, a related company controlled by the Controlling Shareholders, for a consideration of HK\$20,960,000 and no gain or loss was resulted.

## Analysis of disposal of a subsidiary

The major classes of assets and liabilities of Million Victory at the date of disposal are as follow:

	<b>At the date of disposal</b> <i>HK\$'000</i>
Investment properties	22,870
Deposits paid, prepayments and other receivables	6
Income tax recoverable	10
Deferred tax assets	17
Cash and bank balances	114
	<hr/>
	23,017
	<hr/> <hr/>
Bank borrowings	(7,328)
Amount due to a group company	(13,475)
Deposits received, accruals and other payables	(652)
	<hr/>
	(21,455)
	<hr/>
Net assets disposed	1,562
Total consideration	2,664
	<hr/>
Deemed capital contribution arising from disposal of a subsidiary	1,102
	<hr/> <hr/>

## Analysis of consideration regarding disposal of properties investment business

	<i>HK\$'000</i>
<b>Consideration:</b>	
Cash received	18,430
Receivables from acquirers ( <i>Note</i> )	5,194
	<hr/>
Total consideration	23,624
	<hr/> <hr/>

*Note:* During the year, the Company declared a dividend of HK\$5,194,000 in form of distribution in specie of receivables from the related parties under common control of the Controlling Shareholders be payable to its holding company (note 9).

	<i>HK\$'000</i>
<b>Net cash inflow upon disposal</b>	
Cash received	18,430
Less: bank balances and cash disposed	(114)
	<hr/>
Net cash inflow	18,316
	<hr/> <hr/>

## Analysis of profit for the year from discontinued operation

The results of the discontinued operation included in the profit for the year are set out below:

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
<b>Profit for the year from discontinued operation</b>		
Rental income	<b>580</b>	2,486
Change in fair value of investment properties	<b>2,530</b>	3,220
Administrative expenses	<b>(109)</b>	(789)
Interest on bank borrowings	<b>(156)</b>	(975)
	<hr/>	<hr/>
Profit before tax	<b>2,845</b>	3,942
Income tax expenses	<b>(52)</b>	(172)
	<hr/>	<hr/>
Profit for the year from discontinued operation	<b>2,793</b>	3,770
	<hr/> <hr/>	<hr/> <hr/>
<b>Profit for the year from discontinued operation includes the following</b>		
Auditor's remuneration	<b>3</b>	12
	<hr/> <hr/>	<hr/> <hr/>
Minimum lease receipts under operating leases during the year in respect of the Group's investment properties	<b>580</b>	2,486
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash flows from discontinued operation</b>		
Net cash flows from (used in)		
operating activities	<b>981</b>	1,573
investing activities	<b>6,400</b>	48,800
financing activities	<b>(7,179)</b>	(1,290)
	<hr/>	<hr/>
Net cash inflow	<b>202</b>	49,083
	<hr/> <hr/>	<hr/> <hr/>

## 9. Dividends

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Dividends declared and paid/payable to shareholders	<b>104,824</b>	21,600
	<hr/> <hr/>	<hr/> <hr/>

Prior to the Group Reorganisation, Ahsay HK declared and paid interim dividends in aggregate of HK\$46,010,000 during the year (2014: HK\$21,600,000) to the Controlling Shareholders. Afterwards, the Company declared dividends of HK\$58,814,000 in form of distribution in specie of receivables from the related parties under common control of the Controlling Shareholders be payable to its holding company as set out in notes 5 and 8.

The Directors did not recommend a payment of final dividend for the year.

## 10. Earnings Per Share

As of 31 December 2015, the Company has 2,000,000,000 ordinary shares in issue. The Company was listed on the GEM on 8 October 2015 by way of placing of 500,000,000 ordinary shares and capitalisation of 1,499,999,998 shares, resulting in 2,000,000,000 ordinary shares in issue. The calculation of the basic earnings per share attributable to the owners of the Company from continuing operation is based on the following data:

	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
<u>Earnings</u>		
<b>Earnings for the purpose of basic earnings per share</b>		
Profit for the year attributable to the owners of the Company	<b>45,362</b>	18,467
Less: Profit for the year from discontinued operation	<b>(2,793)</b>	(3,770)
Profit for the purpose of basic earnings per share from continuing operation	<b>42,569</b>	14,697
	<b>2015</b> <b>'000</b>	2014 '000
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,556,507</b>	1,258,872

Basic earnings per share for the discontinued operation for current year is 0.18 HK cent per share (2014: 0.30 HK cent per share).

The number of ordinary shares for the purpose of calculating basic earnings per share has been retrospectively adjusted for the capitalisation issue of the shares of the Company completed on 8 October 2015 and assuming the Group Reorganisation had been effective on 1 January 2014.

No diluted earnings per share was presented as there was no potential ordinary share outstanding during both years.

## 11. Trade and Other Receivables/Rental deposits paid

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
<b><u>Current assets</u></b>		
Trade receivables — aged within 30 days	<b>4,630</b>	1,901
Rental and utilities deposits	<b>112</b>	127
Prepaid operating expenses and other receivables	<b>910</b>	12
	<hr/>	<hr/>
Total	<b>5,652</b>	2,040
	<hr/> <hr/>	<hr/> <hr/>
<b><u>Non-current asset</u></b>		
Rental deposits paid	<b>470</b>	220
	<hr/> <hr/>	<hr/> <hr/>

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

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

In order to minimise credit risk, the Directors have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is an online backup software developer based in Hong Kong, with a focus on providing its self-developed backup software products as well as services to customers. Developed in Hong Kong, the Group's backup software products are equipped with multi-lingual, multi-platform and multi-application built-in features. One of the Group's backup software, the Ahsay™ Backup Software, supports more than 30 languages and dialects, and can be used on various platforms and with different software applications. Virtually all of the Group's backup software products and (software upgrading and maintenance) services are sold or leased or ordered by customers through the Internet on the Group's sales websites.

Cloud is a fast-evolving technology in recent years, and may be regarded as the modern more robust version of "online" or the "Internet". Ahsay™ Backup Software supports different modes of backup, including on-premises backup through LAN/WAN and an online/offsite/remote/cloud backup through the Internet. Data backed up using the Ahsay™ Backup Software can be stored at different storage destinations determined by the Group's customers and end-users, such as on-premises servers and private cloud storage. The Group provides software and related services to backup data and generally does not provide storage services for data backup, except for certain customers in Hong Kong.

The revenue of the Group has recorded a mild growth of approximately 6.1% from approximately HK\$54.0 million for the year ended 31 December 2014 to approximately HK\$57.3 million for the year ended 31 December 2015.

To drive the backup business worldwide and become a leading developer and provider of backup software products and services for all platforms, applications and all languages, we intend to strengthen our software development capabilities; broaden our customer base and pursue growth through selective acquisition and partnerships. These business objectives and future plans have been stated in the Prospectus based on the best estimate and assumption of future market conditions made by the Group. Please refer to section headed "*Business Objectives and Futures Plans – Implementation Plans*" of the Prospectus for further details.

Moving ahead, the Group plans to increase market share in the backup software sector by focusing on improving products and services, in particular, those that support both private and public cloud technology. The Group is accredited as a market leader in online backup software solutions targeted at small and medium-sized enterprises ("SMEs") worldwide, and the market size of the global backup software market will grow steadily in the coming years. The demand from SMEs for backup software products is also expected to increase steadily in the next 5 years. The management of the Group believes that the Listing of the shares of the Company (the "Shares") on GEM of the Stock Exchange can enhance the Group's corporate profile and image, and that the net proceeds from the Placing can strengthen the Group's financial position.

## **OUTLOOK**

Upon the Listing of the Company, the Group has a stronger financial and liquidity position. The Group is continuing its focus on its core business and utilising its available resources to engage in its current business. The Group is also exploring business opportunities associated with its core business such as selective acquisition and partnership in order to strengthen its revenue base and maximise both the return to the shareholders (the “Shareholders”) and the value of the Company.

## **FINANCIAL REVIEW**

### **Overview**

The revenue of the Group has recorded a mild growth of approximately 6.1% from approximately HK\$54.0 million for the year ended 31 December 2014 to approximately HK\$57.3 million for the year ended 31 December 2015. Significant growth was recorded as to the Group’s profit after tax from continuing operation (excluding listing expenses) of approximately 293.2% from approximately HK\$14.7 million for the year ended 31 December 2014 to approximately HK\$57.8 million for the year ended 31 December 2015. The Group recorded profit after tax from continuing and discontinued operations of approximately HK\$18.5 million and HK\$45.4 million for the year ended 31 December 2014 and 2015, respectively, representing an increase of approximately 145.4%. This is mainly due to a gain on disposal of property, plant and equipment of approximately HK\$53.5 million recognised pursuant to the Group Reorganisation.

### **Revenue**

The Group’s revenue principally represented income derived from software license sales and leasing, software upgrades and maintenance services, other services and sale of hardware devices. Revenue of approximately HK\$54.0 million and approximately HK\$57.3 million was recognised for the year ended 31 December 2014 and 31 December 2015, respectively, representing a mild growth of approximately HK\$3.3 million or 6.1%.

The increase was mainly due to the increase of software license sales and leasing of approximately HK\$3.2 million or 10.5% from approximately HK\$30.6 million for the year ended 31 December 2014 to approximately HK\$33.8 million for the year ended 31 December 2015.

### **Other Income**

Other income decreased by approximately HK\$1.7 million or 81.0%, to approximately HK\$0.4 million for the year ended 31 December 2015 from approximately HK\$2.1 million for the year ended 31 December 2014. The decrease was primarily due to (1) no management fee was received upon cessation of management service provided to connected parties, and (2) less interest income from related parties was derived during the year ended 31 December 2015.

## **Other Gains and Losses**

For the year ended 31 December 2015, the Group recorded other losses, net of approximately HK\$0.8 million, against other gains, net of approximately HK\$2.1 million for the year ended 31 December 2014. This was mainly due to the decrease in fair value of held for trading investments of approximately HK\$0.8 million recorded for the year ended 31 December 2015, against the increase in fair value of held for trading investments of approximately HK\$2.1 million recorded for the year ended 31 December 2014. The Group did not conduct any trading of securities after the Listing.

## **Staff Costs and Related Expenses**

Staff costs and related expenses primarily comprised salaries, performance bonuses, directors' fee, MPF contributions, directors' quarters and other staff welfare. Staff costs and related expenses increased by approximately HK\$7.3 million or 23.6%, to approximately HK\$38.2 million for the year ended 31 December 2015 from approximately HK\$30.9 million for the year ended 31 December 2014. The increase was mainly due to the increase in total headcount of the Group and salaries increment as well as the Listing bonus of approximately HK\$3.8 million paid during the year ended 31 December 2015. The payment of Listing bonus of approximately HK\$3.8 million was financed by net proceeds used for working capital and other general corporate purpose from the Listing.

## **Other Expenses**

Other expenses primarily comprised depreciation, advertising and marketing expenses, merchant credit card charges, and other regular office expenses such as utilities. Other expenses increased by approximately HK\$3.5 million or 43.8%, to approximately HK\$11.5 million for the year ended 31 December 2015 from approximately HK\$8.0 million for the year ended 31 December 2014. The increase of other expenses for the year ended 31 December 2015 was mainly due to the increase in (i) rental expenses of office premise of approximately HK\$1.5 million, (ii) auditor's remuneration of approximately HK\$1.2 million, (iii) marketing and advertising expenses of approximately HK\$1.1 million, and (iv) legal and professional expenses of approximately HK\$0.7 million as compared with the same period of last year. The increase was partially offset by the decrease in depreciation of approximately HK\$1.1 million.

## **Listing Expenses**

The Group recorded listing expenses of approximately HK\$15.2 million for the year ended 31 December 2015, in connection with the preparation for the Listing. Total listing expenses were approximately HK\$22.8 million, and part of these expenses of approximately HK\$7.6 million was available for offsetting against the Company's equity reserves.

## **Finance Costs**

Finance costs primarily represented interest expenses on bank borrowings. Finance costs decreased by approximately HK\$0.1 million or 10.0%, to approximately HK\$0.9 million for the year ended 31 December 2015 from approximately HK\$1.0 million for the year ended 31 December 2014. The decrease was mainly due to repayment of certain bank loans during the Group Reorganisation in 2015.

## **Income Tax Expenses**

Income tax expenses decreased by approximately HK\$1.8 million or 52.9%, to approximately HK\$1.6 million for the year ended 31 December 2015 from approximately HK\$3.4 million for the year ended 31 December 2014. The decrease was mainly due to the gain on disposal of property, plant and equipment of approximately HK\$53.5 million which was not taxable and partly offset by the listing expenses of approximately HK\$15.2 million which were not deductible for tax purpose.

## **Profit for the Year**

The Group recorded a profit of approximately HK\$18.5 million and HK\$45.4 million for the year ended 31 December 2014 and 31 December 2015, respectively. After taking out the effect of the one-off non-recurring listing expenses of approximately HK\$15.2 million, the one-off gain on disposal of property, plant and equipment of approximately HK\$53.5 million and profit from discontinued operation of approximately HK\$2.8 million for the year ended 31 December 2015, the Group would have recorded profit after tax from continuing operation of approximately HK\$4.3 million for the year ended 31 December 2015.

## ***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. Hong Kong dollars are pegged to United States dollars under the current policy of the Government of the Hong Kong Special Administrative Region. As the Group's cash and bank balances and borrowings were substantially denominated in Hong Kong dollars, risk in exchange rate fluctuation would not be material.

The Group has remained at a sound financial resource level. As at 31 December 2015, current assets (included cash and bank balances) of approximately HK\$111.2 million (31 December 2014: approximately HK\$42.6 million). After deducting the bank borrowings balances, the Group remained at a net cash position as at 31 December 2015. Before the Company became listed on GEM of the Stock Exchange, the Group's operations were mainly financed by its shareholders' fund injections, loans and internal resources. Following the Listing, the Group's operations were mainly financed by internal resources and the Group's liquidity position became stronger and this enables the Group to expand in accordance with its business directions.

## **CHARGES OVER ASSETS OF THE GROUP**

As at 31 December 2015, there was no charge on assets of the Group. As at 31 December 2014, the Group's borrowings were secured by the Group's leasehold land and buildings and investment properties of an aggregated amount of approximately HK\$76.4 million.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 31 December 2015, the Group did not have any significant capital commitment (31 December 2014: nil) and contingent liability (31 December 2014: nil). The Group did not have plans for material investments or purchases of capital assets in near term.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

Save for the Group Reorganisation during the year ended 31 December 2015, the Group did not have any material acquisition and disposal.

In June 2015, the Group disposed of the remaining of its investment properties and its leasehold land and buildings at a total consideration of approximately HK\$102.9 million to related parties under common control of the Controlling Shareholders of the Group.

## **USE OF PROCEEDS**

The net proceeds from the Listing after deducting the underwriting commission and actual expenses related to the Placing were approximately HK\$77.2 million. Accordingly, the Group has applied the proceeds in the same manner and proportion as shown in the Prospectus.

An analysis of the utilisation of the actual net proceeds and the unused amount as at 31 December 2015 is set out below:

<b>Use of proceeds</b>	<b>Net proceeds HK\$'000</b>	<b>Utilised amount HK\$'000</b>	<b>Unused amount HK\$'000</b>
Strengthen our software development capabilities	11,040	171	10,869
Broaden our customer base	7,874	841	7,033
Pursue selective acquisition and partnership	50,566	—	50,566
Working capital and other general corporate purpose	7,720	3,770	3,950
Total	<u>77,200</u>	<u>4,782</u>	<u>72,418</u>

The unused net proceeds have been placed as interest bearing deposits with licensed banks in Hong Kong.

## **FINANCIAL MANAGEMENT POLICIES**

The Group in its ordinary course of business is exposed to market risks such as foreign currency risk and interest rate risk. The Group's risk management strategy aims to minimise the adverse effects of these risks on its financial performance.

The Group's cash is primarily deposited at banks in Hong Kong and denominated mostly in Hong Kong dollar. As at 31 December 2015, no related hedges were made by the Group (2014: nil).

As most of the Group's trading transactions, monetary assets and liabilities are denominated in Hong Kong dollar, the impact of foreign exchange exposure to the Group during the year ended 31 December 2015 was minimal and there was no significant adverse effect on normal operations.

With the current interest rates staying at relatively low levels, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instrument. However, the Group will continue to monitor its related interest rate exposure closely.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2015, the Group had a workforce of 62 employees (2014: 53). The increase in number of employees was mainly due to the expansion of the research and development team. Total director and staff costs for the year ended 31 December 2015 was approximately HK\$37.1 million, representing an increase of approximately HK\$6.6 million or 21.6% as compared to the year ended 31 December 2014.

Remuneration is determined with reference to the duties, responsibilities, experience and competence of individual employee and Director. In addition to salaries and discretionary bonuses relating to the performance of the Group, employee benefits included the mandatory provident fund prescribed by the Mandatory Provident Scheme Ordinance (Chapter 485 of the Laws of Hong Kong). The Group has not participated in any other pension schemes. The emoluments of the Directors are reviewed annually by the remuneration committee of the Board.

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 and non-executive Director) may also be granted share options by the Company from time to time pursuant to the share option scheme adopted by the Company 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 year under review, 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***

Since the date of Listing 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.

## ***FINAL DIVIDEND***

The Board did not recommend a payment of final dividend for the year ended 31 December 2015.

## ***SUFFICIENCY OF PUBLIC FLOAT***

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as required under the GEM Listing Rules since the Listing Date and up to the date of this announcement.

## ***CORPORATE GOVERNANCE PRACTICES***

The Group's corporate governance framework bases on two main beliefs:

- the Group is well-committed to maintain good corporate governance practices and procedures; and
- the Group recognises the need to adopt practices that improve itself continuously for a quality management.

Accordingly, the Group is committed to maintaining high standards of corporate governance with a view to assuring the conduct of management of the Group as well as protecting the interests of all Shareholders. The corporate governance principles adopted by the Group emphasise a quality Board for leadership, effective internal controls, transparency and accountability to all Shareholders.

The Group has applied the principles and adopted all code provisions, where applicable, of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. The Directors consider that since the Listing of the Shares on GEM on 8 October 2015 and up to 31 December 2015 (i.e. the Review Period), the Group has complied with all the code provisions as set out in the CG Code.

The Group has further 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 throughout the Review Period.

The Group believes through the operation of an effective Board, sound internal controls, and accountability to Shareholders, the Group is able to maximise the value of all Shareholders.

## **ANNUAL GENERAL MEETING (THE “AGM”)**

The forthcoming AGM of the Company will be held on Friday, 29 April 2016 at 9:30 a.m., the AGM notice will be published and dispatched to the shareholders of the Company in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the shareholders' entitlement to attend and vote at the AGM, the Company's register of members will be closed from Wednesday, 27 April 2016 to Friday, 29 April 2016 (both dates inclusive), during which period no transfer of shares of the Company can be registered. In order to be eligible to attend the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 26 April 2016.

## **REVIEW BY THE AUDIT COMMITTEE**

The Company has established an audit committee of the Board (the “Audit Committee”) with written terms of reference which deal clearly with its authority and duties. The Audit Committee's principal duties are to review and supervise the Company's financial reporting process and internal control systems and to provide advice and comments to the Board. The Audit Committee has reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2015.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company's website at <http://www.ahsay.com.hk/en/investor-relations/announcements.jsp>. The annual report of the Company for the year ended 31 December 2015 will be dispatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 15 March 2016

*As at the date of this announcement, the executive Directors are Mr. CHONG King Fan, Mr. CHONG Siu Pui and 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 Company Announcements" page on the GEM website at [www.hkgem.com](http://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/en/investor-relations/announcements.jsp>.*