



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 2024**

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

FINANCIAL HIGHLIGHTS

- The Group's revenue for the six months ended 30 June 2024 was approximately HK\$20.6 million, representing a decrease of approximately 2.8% from approximately HK\$21.2 million for the corresponding period in 2023.
- Loss attributable to owners of the parent for the six months ended 30 June 2024 was approximately HK\$1.2 million as compared to the profit of approximately HK\$2.1 million for the corresponding period in 2023.
- Segment losses of approximately HK\$2.4 million and HK\$2.1 million were recorded from online backup software and related services segment for the six months ended 30 June 2024 and 2023 respectively.
- Segment profit of approximately HK\$0.1 million and HK\$1.0 million were recorded from information platform segment for the six months ended 30 June 2024 and 2023, respectively.
- Basic and diluted loss per share were HK0.06 cent for the six months ended 30 June 2024.
- The Board did not recommend the payment of any dividend for the six months ended 30 June 2024.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 2024 together with the unaudited comparative figures for the corresponding period in 2023 as set out below.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	3	20,590	21,156
Cost of inventories sold		(137)	(32)
Other income	4	1,224	1,043
Other (losses) gains, net	4	(193)	2,065
Staff costs and related expenses	5	(15,183)	(14,750)
Other expenses	6	(7,437)	(7,308)
Finance costs	7	(60)	(127)
(Loss) profit before tax		(1,196)	2,047
Income tax expense	8	(20)	(16)
(Loss) profit for the period		(1,216)	2,031
Attributable to:			
Owners of the parent		(1,216)	2,057
Non-controlling interests		—	(26)
		(1,216)	2,031
Other comprehensive loss			
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences arising on translation of foreign operations		(634)	(9)
Reclassification adjustment of translation reserve upon deconsolidation of a subsidiary		—	(129)
Other comprehensive loss for the period		(634)	(138)
Total comprehensive (loss) income for the period		(1,850)	1,893
Attributable to:			
Owners of the parent		(1,850)	1,962
Non-controlling interests		—	(69)
		(1,850)	1,893
(Loss) earnings per share attributable to ordinary equity holders of the parent			
— Basic and diluted (<i>HK cent</i>)	10	(0.06)	0.10

Condensed Consolidated Statement of Financial Position

At 30 June 2024

	<i>NOTES</i>	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		6,479	7,297
Investment properties		2,775	2,932
Right-of-use assets		1,153	2,307
Equity investment designated at fair value through other comprehensive income		—	—
Deferred tax assets		394	355
Total non-current assets		<u>10,801</u>	<u>12,891</u>
CURRENT ASSETS			
Inventories		186	—
Trade and other receivables	11	4,620	3,709
Tax recoverable		3	6
Bank balances and cash		56,915	62,337
Total current assets		<u>61,724</u>	<u>66,052</u>
CURRENT LIABILITIES			
Other payables and accruals	12	3,385	4,915
Contract liabilities		10,800	12,502
Lease liabilities		1,200	2,400
Tax payable		85	41
Total current liabilities		<u>15,470</u>	<u>19,858</u>
NET CURRENT ASSETS		<u>46,254</u>	<u>46,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>57,055</u>	<u>59,085</u>
NON-CURRENT LIABILITIES			
Contract and other liabilities		967	1,142
Deferred tax liabilities		14	19
Total non-current liabilities		<u>981</u>	<u>1,161</u>
NET ASSETS		<u>56,074</u>	<u>57,924</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		20,000	20,000
Reserves		36,074	37,924
Total equity		<u>56,074</u>	<u>57,924</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital and other reserves	Asset revaluation reserve	Translation reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000 (note i)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2023 (audited)	20,000	72,435	3,395	535	(609)	(40,541)	55,215	(1,345)	53,870
Profit (loss) for the period	—	—	—	—	—	2,057	2,057	(26)	2,031
Other comprehensive income (loss) for the period									
Exchange differences arising on translation of foreign operations	—	—	—	—	34	—	34	(43)	(9)
Reclassification adjustment of translation reserve upon deconsolidation of a subsidiary	—	—	—	—	(129)	—	(129)	—	(129)
Total comprehensive income (loss) for the period	—	—	—	—	(95)	2,057	1,962	(69)	1,893
Deconsolidation of a subsidiary	—	—	702	—	—	(702)	—	1,414	1,414
At 30 June 2023 (unaudited)	<u>20,000</u>	<u>72,435</u>	<u>4,097</u>	<u>535</u>	<u>(704)</u>	<u>(39,186)</u>	<u>57,177</u>	<u>—</u>	<u>57,177</u>
At 1 January 2024 (audited)	20,000	72,435	4,097	535	(544)	(38,599)	57,924	—	57,924
Loss for the period	—	—	—	—	—	(1,216)	(1,216)	—	(1,216)
Other comprehensive loss for the period									
Exchange differences arising on translation of foreign operations	—	—	—	—	(634)	—	(634)	—	(634)
Total comprehensive loss for the period	—	—	—	—	(634)	(1,216)	(1,850)	—	(1,850)
At 30 June 2024 (unaudited)	<u>20,000</u>	<u>72,435</u>	<u>4,097</u>	<u>535</u>	<u>(1,178)</u>	<u>(39,815)</u>	<u>56,074</u>	<u>—</u>	<u>56,074</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 interests in CloudBacko Corporation (“**CloudBacko BVI**”) and Ahsay Service Centre Limited (“**ASCL**”), upon transfer of the 100% equity interests 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 transfer of the 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; and
 - (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 then subsidiary of the Group, to a related company controlled by the Controlling Shareholders in April 2015.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Ahsay Backup Software Development Company Limited (the “**Company**”) is a publicly listed company incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, 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. Its immediate holding company is All Divine Investments Limited, a private company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability; and, in the opinion of the directors, 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 interim condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**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 interim condensed consolidated financial information does not include all the information and disclosures required in the Group’s annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ 2020 Amendments ”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “ 2022 Amendments ”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

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 and an analysis tool, sale of hardware devices and provision of other services

Segment revenue and results

Segment results represent the (loss) profit from each segment without allocation of other income and other (losses) gains, net 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 2024 (unaudited)			For the six months ended 30 June 2023 (unaudited)		
	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	1,097	—	1,097	1,035	—	1,035
Software license leasing	7,376	—	7,376	7,467	—	7,467
Software upgrades and maintenance services	8,731	—	8,731	9,211	—	9,211
Other services	557	137	694	467	270	737
Sale of hardware devices	—	99	99	—	23	23
Information sharing service income	—	19	19	—	25	25
Subscription fees	140	2,434	2,574	49	2,609	2,658
Total revenue	17,901	2,689	20,590	18,229	2,927	21,156
Timing of revenue recognition						
At a point in time	1,124	255	1,379	1,051	48	1,099
Over time	16,777	2,434	19,211	17,178	2,879	20,057
	17,901	2,689	20,590	18,229	2,927	21,156
Segment (loss) profit	(2,369)	142	(2,227)	(2,082)	1,021	(1,061)
Unallocated income and expenses						
Other income			1,224			1,043
Other (losses) gains, net			(193)			2,065
(Loss) profit before tax			(1,196)			2,047

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

	At 30 June 2024 (unaudited)			At 31 December 2023 (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	14,632	978	15,610	15,801	805	16,606
Reconciliation:						
Unallocated assets						
Bank balances and cash			56,915			62,337
Consolidated assets			72,525			78,943
Reportable segment liabilities						
Segment liabilities	14,380	2,071	16,451	18,566	2,453	21,019

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than bank balances and cash that are managed on a group basis.
- all liabilities are allocated to operating segments.

4. OTHER INCOME AND OTHER (LOSSES) GAINS, NET

(a) Other income

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Bank interest income	1,091	921
Interest income on refundable rental deposits	10	10
Rental income	57	59
Sundry income	66	53
	1,224	1,043

(b) Other (losses) gains, net

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Foreign exchange differences, net	(193)	4
Fair value losses on investment properties	—	(16)
Gain on deconsolidation of a subsidiary	—	2,077
	<u>(193)</u>	<u>2,065</u>

5. STAFF COSTS AND RELATED EXPENSES

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Directors' emoluments	2,904	2,846
Other staff costs		
— Salaries, allowances and benefits in kind and performance bonuses	11,706	11,522
— Retirement benefit scheme contributions (defined contribution scheme), excluding directors' retirement benefit scheme contributions*	274	297
	<u>14,884</u>	<u>14,665</u>
Total directors' and staff costs	14,884	14,665
Staff-related expenses	299	85
	<u>15,183</u>	<u>14,750</u>
Staff costs and related expenses		
	<u>5,449</u>	<u>5,138</u>

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions. As at 30 June 2024, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (31 December 2023: Nil).

6. OTHER EXPENSES

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditor's remuneration	430	428
Advertising and marketing expenses	820	247
Content acquisition cost	640	937
Depreciation of property, plant and equipment	590	725
Depreciation of right-of-use assets	1,154	1,180
Electricity and water	200	210
Expenses related to short-term leases	75	58
Insurance expenses	360	295
Internet expenses	177	191
Legal and professional fees	742	965
Merchant credit card charges	653	654
Rates and property management fees	294	282
Web hosting expenses	364	334
Write-off on items of property, plant and equipment	1	—
Others	937	802
	<u>7,437</u>	<u>7,308</u>

7. FINANCE COSTS

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest expense on:		
Lease liabilities	60	119
Other borrowings	—	8
	<u>60</u>	<u>127</u>

8. INCOME TAX EXPENSE

The Group calculates the income tax expense for each interim period based on the best estimate of the weighted average annual income rate expected for the full financial year. The major components of income tax expense recognised in profit or loss are:

	Six months ended	
	30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	64	80
Deferred tax	(44)	(64)
	<hr/>	<hr/>
	20	16
	<hr/> <hr/>	<hr/> <hr/>

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% (2023: 8.25%) for the first HK\$2 million (2023: HK\$2 million) of estimated assessable profits and at 16.5% (2023: 16.5%) on the estimated assessable profits above HK\$2 million (2023: HK\$2 million). Other subsidiaries of the Company incorporated in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% for the six months ended 30 June 2024 and 2023, respectively.

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

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company for the six months ended 30 June 2024 and 2023.

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

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

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) profit attributable to ordinary equity holders of the parent	<u><u>(1,216)</u></u>	<u><u>2,057</u></u>
	Six months ended	
	30 June	
	2024	2023
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share calculation	<u><u>2,000,000</u></u>	<u><u>2,000,000</u></u>

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.

11. TRADE AND OTHER RECEIVABLES

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Current assets		
Trade receivables — aged within 30 days, based on the invoice date	2,330	1,864
Rental and utility deposits	441	641
Prepaid operating expenses and other receivables	1,849	1,204
	<hr/>	<hr/>
Total	<u>4,620</u>	<u>3,709</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, subscription 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.

12. OTHER PAYABLES AND ACCRUALS

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

FINANCIAL REVIEW

Overview

During the six months ended 30 June 2024 and 2023, the Group recorded revenues of approximately HK\$20.6 million and HK\$21.2 million respectively, representing a decrease of approximately 2.8%. The Group recorded a loss attributable to owners of the parent of approximately HK\$1.2 million for the six months ended 30 June 2024 as compared to a profit of approximately HK\$2.1 million for the corresponding period in 2023.

The change from profit to loss for the six months ended 30 June 2024 was mainly attributable to (i) the lack of a one-off gain on deconsolidation of a subsidiary recognised in 2023; (ii) the decrease in revenue derived from both the online backup and information platform business as affected by the overall weak global economy and sluggish demand for our services; and (iii) the increase in staff cost due to the increase in average headcount.

Revenue

The Group's revenue was principally derived from income from software license sales and leasing, software upgrades and maintenance services, subscription fees and other services. Revenue of approximately HK\$20.6 million and HK\$21.2 million were recognised for the six months ended 30 June 2024 and 2023 respectively, representing a decrease of approximately 2.8%.

The decrease in revenue for the six months ended 30 June 2024 was mainly due to the decrease in revenue derived from both online backup and information platform business as affected by (i) the sluggish recovery of business demand as a result of overall weak global economy; (ii) keen competition in the global online backup software market; and (iii) the decrease in local spending of people in Hong Kong due to change in consumption pattern compared with the corresponding period in 2023.

Other Income

Other income increased by approximately HK\$0.2 million or 20.0%, to approximately HK\$1.2 million for the six months ended 30 June 2024 from approximately HK\$1.0 million for the six months ended 30 June 2023. The increase in other income for the six months ended 30 June 2024 was mainly due to the increase in bank interest income as a result of the increase in the average rate of time deposits from Hong Kong dollar change to United States dollar.

Other (Losses) Gains, net

Other losses, net increased by approximately HK\$2.3 million, to approximately HK\$0.2 million for the six months ended 30 June 2024 from other gains, net of approximately HK\$2.1 million for the six months ended 30 June 2023. The increase in other losses for the six months ended 30 June 2024 was mainly due to the lack of a one-off gain on deconsolidation of a subsidiary recognised in 2023.

Staff Costs and Related Expenses

Staff costs and related expenses primarily comprised salaries, performance bonuses, directors' fee, mandatory provident fund contributions, staff welfare and other related expenses. Staff costs and related expenses increased by approximately HK\$0.4 million or 2.7%, to approximately HK\$15.2 million for the six months ended 30 June 2024 from approximately HK\$14.8 million for the six months ended 30 June 2023.

The increase in staff costs and related expenses for the six months ended 30 June 2024 was mainly due to the increase in average headcount as compared with the corresponding period in 2023.

Other Expenses

Other expenses primarily comprised of depreciation, advertising and marketing expenses, merchant credit card charges, legal and professional fees and other regular office expenses such as utilities. Other expenses increased by approximately HK\$0.1 million or 1.4%, to approximately HK\$7.4 million for the six months ended 30 June 2024 from approximately HK\$7.3 million for the six months ended 30 June 2023.

The increase in other expenses was mainly due to the net effect of the increase in advertising and marketing and the decrease in content acquisition cost of KINBOY as compared with the corresponding period in 2023.

(Loss) Profit for the Period

The Group recorded a loss of approximately HK\$1.2 million for the six months ended 30 June 2024 as compared to a profit of approximately HK\$2.0 million for the corresponding period in 2023. The loss for the period consisted of an approximately HK\$2.4 million segment loss from the Group's online backup software and related services segment, a segment profit of approximately HK\$0.1 million generated by the information platform segment and unallocated income and losses, net of approximately HK\$1.0 million.

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 amount of cash denominated mainly in United States Dollar ("US\$") are generally deposited with licensed banks in Singapore. As the Group's cash and bank balances are substantially denominated in US\$, risk in exchange rate fluctuation would not be material.

The Group is in a sound financial position. As at 30 June 2024, the Group's current assets were approximately HK\$61.7 million (31 December 2023: approximately HK\$66.1 million). The Group remained at a net cash position as at 30 June 2024 and 31 December 2023, 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 2024, there was no charge on assets of the Group (31 December 2023: Nil).

Capital Structure

The capital structure of the Company comprised of ordinary shares only. As at 30 June 2024, the Company's issued share capital was HK\$20.0 million with 2,000,000,000 issued shares of HK\$0.01 each.

Capital Commitments and Contingent Liabilities

The Group had no significant capital commitments and contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

Segmental Information

An analysis of the Group's performance for the six months ended 30 June 2024 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 2024.

BUSINESS REVIEW

The global economy has undergone unusual crises over the past years and further slowed down due to high interest rate and uncertain external risks. The worsening economy has also impacted consumption and market sentiment remained cautious during the period. Price competition is still keen for the online backup software market. As a result, revenue from the Group's online backup software and its related services decreased by approximately HK\$0.3 million or 1.6% from approximately HK\$18.2 million for the six months ended 30 June 2023 to approximately HK\$17.9 million for the six months ended 30 June 2024.

On the other side, the rising trend of cross-border consumption for people in Hong Kong has led to a decrease in local spending, which resulted in a lower demand for leisure activities in Hong Kong, including horse racing. Thus, revenue derived from the Group's information platform decreased by approximately HK\$0.2 million or 6.9% from approximately HK\$2.9 million for the six months ended 30 June 2023 to approximately HK\$2.7 million for the six months ended 30 June 2024.

Total revenue of the Group decreased by approximately HK\$0.6 million or 2.8% from approximately HK\$21.2 million for the six months ended 30 June 2023 to approximately HK\$20.6 million for the six months ended 30 June 2024.

In view of the current fierce competition and uncertain market prospects, the Group has launched various promotions and held more marketing activities during the period in order to retain our target customers to consume and promote our products and services to potential customers.

OUTLOOK

Core Backup Business

Our current version of Ahsay™ Backup Software — Version 9 (“**Version 9**”) is an advanced client-server based on-premises and cloud backup software solution for businesses and managed service providers (“**MSPs**”).

In terms of the major enhancement of Version 9, the “In-File Data” feature was replaced with “Data Deduplication”, which is part of the backup process that identifies and eliminates duplicate copies of repeating data, storing the data only once in order to save storage space. “Data Deduplication” plays a major role in managing storage space, particularly when performed over large volumes of data.

Other major enhancement including “Immutable Backup” and “Restore Drill” being launched in 2023 are mainly related to cybersecurity and data protection. “Immutable Backup” provides MSPs an unaltered copy of backup data that remains in a protected state, immune to accidental or malicious alterations. While facing the threats of ransomware and cyberattacks, MSPs can rebuild the data by using the unaltered copy. It can help combat the threat by ensuring that a secure and unchangeable copy of the backup is always available for data restoration when needed.

“Restore Drill” enables MSPs to conduct periodic and automated disaster recovery drills to test the restoration of data from backups in order to ensure the backup copies are usable. It also allows MSPs to identify potential problems such as missing or corrupted backup data and will make the best effort to correct the problems to ensure the backup data is recoverable or an alert is issued to MSPs.

Version 9 can be deployed within a company to back up all virtual machines or physical servers. MSPs can also use this software solution to offer secure managed backup service to their clients. Version 9 comes with a web based central management console for system administrator to easily manage the whole backup system through any web browser. It supports various solutions such as Microsoft 365 Backup including SharePoint Online, Outlook, Teams, OneDrive etc. In addition to the above, Linux Bare Metal Backup and Tibero Database Server are currently supported.

With the enhancement of functionalities, we believe Version 9 provides improved user experience for our customers. We will continue to pay close attention to the changes in the market and the direction for future development.

Information Platform

The Group has developed information platforms, named KINBOY (堅仔) (“**KINBOY**”) which is an information analysis tool and KINTIPS (堅料) (“**KINTIPS**”) for information sharing. Such platforms are mainly accessible via mobile-application.

KINBOY is an all-in-one platform for horse racing information, which provides users an alternative way to access information electronically. The subscription 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, sharp moves, odds trend and forecast of first two races for catch-up viewing; while paid members can access detailed information including “Cloud Data” and “AI tips” for full day races. “Cloud Data” has collected and combined information from overseas and The Hong Kong Jockey Club for computer analysis to narrow the betting range.

Artificial intelligence development has continued to progress rapidly in recent years. Given our Group’s extensive experience in IT industry and professional developer, “AI tips” feature has also been added in KINBOY during 2023–2024 horse racing season. “AI tips” is a prediction tool of horse racing result by collecting and analysing relevant horse racing data to predict the horses with better chance of winning.

Also, multimedia features of KINBOY such as videos of tipsters make users a more engaging and interactive way to consume news and information. With up-to-date information and comprehensive analysis on horse racing, KINTIPS members would gain an in-depth insight into horse racing. The management is expecting a stable growth for the information platform segment in the future.

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

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 2024, 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 2024, the Company had 2,000,000,000 Shares in issue.
2. As at 30 June 2024, 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 (collectively, the “**Controlling Shareholders**”) 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 2024, 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 2024, 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:

- As at 30 June 2024, the Company had 2,000,000,000 Shares in issue.
- 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.
- 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.
- 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 2024, 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 2024 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 2024, 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 2024.

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 (the “**CG Code**”) as contained in Appendix 15 to the GEM Listing Rules during the six months ended 30 June 2024.

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 2024, the Group had a workforce of 70 employees (30 June 2023: 65). Total directors and staff costs for the six months ended 30 June 2024 was approximately HK\$14.9 million, representing an increase of approximately HK\$0.2 million as compared to that for the corresponding period in 2023.

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.

As incentives and rewards for their contributions to the Group, the employees of the Group and all Directors (including the independent non-executive Directors and non-executive Director) may be granted share options by the Company from time to time pursuant to the Share Option Scheme.

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

During the six months ended 30 June 2024, 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 2024 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 2024 has not been audited. The Audit Committee has reviewed with management the interim financial information of the Group for the six months ended 30 June 2024, 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 Siu Ning
Chairman and Executive Director

Hong Kong, 9 August 2024

As at the date of this announcement, the executive Directors are Mr. CHONG Siu Ning, Mr. CHONG Siu Pui and Mr. CHONG King Fan; 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 Information” page on the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company’s website at <http://www.ahsay.com.hk>.