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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)

PROFIT WARNING

This announcement is made by Ahsay Backup Software Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (the “**Year**”), the Group expects to record a net loss of not more than HK\$1.5 million for the Year as compared to a net profit for the corresponding period in 2018.

Based on the information currently available, the Board considers the change from profit to loss was mainly attributable to (i) the decrease in revenue derived from customers leasing under the software license of the older version of Ahsay™ Backup Software — Version 6 which end of life was in late 2018, (ii) the decrease in revenue derived from sales of license as a result of fewer bulk purchase from customers, (iii) the increase in staff cost as a result of the increase in number of headcount for the expansion of new office in the Philippines, (iv) the increase in operating expenses mainly from increase in legal and professional fees, advertising and marketing expenses and amortisation of intangible assets, and (v) loss derived from the newly acquired subsidiary for the future development in Korea which is currently in its investment stage.

The information contained in this announcement is only based on a preliminary review made by the Board on the unaudited consolidated management accounts of the Group for the Year and other information currently available to the Board, which have not been reviewed or audited by the audit committee of the Board or the auditors of the Company, and is subject to possible adjustments. Details of the financial information and performance of the Group for the Year will be disclosed in the annual results announcement of the Company for the Year, which is expected to be approved and published on or around 17 March 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 March 2020

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this 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.

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