

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



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)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE IN RELATION TO ENTERING INTO THE SHAREHOLDER AGREEMENT

This announcement is made by the Company on a voluntary basis. The purpose of this announcement is to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

ENTERING INTO THE SHAREHOLDER AGREEMENT

On 29 April 2019, Ahsay HK, an indirect wholly-owned subsidiary of the Company, entered into the Shareholder Agreement with the Existing Shareholders, pursuant to which Ahsay HK agrees to make a capital contribution of KRW250 million (equivalent to approximately HK\$1.7 million) to Ahsay Korea. Upon completion of the Capital Contribution, the registered capital of Ahsay Korea will be owned as to 50% by Ahsay HK and as to 50% by the Existing Shareholders and financial statements of Ahsay Korea will be consolidated into the financial statements of Ahsay HK.

LISTING RULES IMPLICATIONS

Since all the applicable percentage ratios as defined under the Listing Rules for the transaction contemplated under the Shareholder Agreement are less than 5%, the transaction contemplated under the Shareholder Agreement do not constitute a notifiable transaction as defined under the Listing Rules.

The Board is pleased to announce that on 29 April 2019, Ahsay HK, an indirect wholly-owned subsidiary of the Company, entered into the Shareholder Agreement with the Existing Shareholders, pursuant to which Ahsay HK agrees to make a capital contribution of KRW250 million (equivalent to approximately HK\$1.7 million) to Ahsay Korea. Upon completion of the Capital Contribution, the registered capital of Ahsay Korea will be owned as to 50% by Ahsay HK and as to 50% by the Existing Shareholders and financial statements of Ahsay Korea will be consolidated into financial statements of Ahsay HK.

The material terms of the Shareholder Agreement are set out below:

SHAREHOLDER AGREEMENT

Date: 29 April 2019

Parties: (a) Ahsay HK
(b) Existing Shareholders of Ahsay Korea

Ahsay Korea is a private limited liability company, incorporated under the laws of Korea. Ahsay Korea is an IT solutions provider in Korea.

To the best of the Directors' knowledge, information and belief upon completion of all reasonable enquiries, both Ahsay Korea and the Existing Shareholders are Independent Third Parties.

Capital Contribution: As at the date of this announcement, the authorised share capital of Ahsay Korea is KRW800 million divided into 160,000 shares of par value KRW5,000 each, of which 50,000 fully-paid shares in Ahsay Korea were allotted and issued to the Existing Shareholders.

Pursuant to the Shareholder Agreement, Ahsay HK agrees to make a capital contribution to Ahsay Korea in the amount of KRW250 million (equivalent to approximately HK\$1.7 million) in cash in the following stages:

Stage 1: KRW100 million (equivalent to approximately HK\$672,000) representing 20,000 ordinary shares of par value KRW5,000 each in the capital of Ahsay Korea will be invested within 5 business days after the date of the Shareholder Agreement; and

Stage 2: KRW150 million (equivalent to approximately HK\$1.0 million) representing 30,000 ordinary shares of par value KRW5,000 each in the capital of Ahsay Korea will be invested within 5 business days after signing of a commercial agreement with designated customers.

Upon completion of Stage 1, the registered capital of Ahsay Korea will be increased from KRW250 million to KRW 350 million and will be owned as to 28.57% by Ahsay HK and as to 71.43% by the Existing Shareholders. Upon completion of Stage 2, the registered capital of Ahsay Korea will be increased from KRW350 million to KRW 500 million and Ahsay Korea will be owned as to 50% by Ahsay HK and as to 50% by the Existing Shareholders.

Board composition:

The board of Ahsay Korea will comprise four directors, two of whom will be nominated by Ahsay HK and the remaining two will be nominated by the Existing Shareholders. The directors of Ahsay HK have the final vote of the board of Ahsay Korea. Thus, Ahsay HK obtains management control over Ahsay Korea.

Upon completion of Stage 1, the financial statements of Ahsay Korea will be consolidated into the financial statements of Ahsay HK.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHAREHOLDER AGREEMENT

The Group principally engages in the provision of online backup software solutions to client via internet. The Directors believe that through this capital contribution, Ahsay HK can further expand and develop its core backup business in Korea. It will further improve the Group's profitability and promote sustainable development of the Group in the long run. The Directors consider that the terms of the Shareholder Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since all applicable percentage ratios as defined under the GEM Listing Rules for the transactions contemplated under the Shareholder Agreement are less than 5%, the transactions contemplated under the Shareholder Agreement do not constitute a notifiable transaction as defined under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors have a material interest in the Shareholder Agreement and the transactions contemplated thereunder, and none of the Directors is required to abstain from voting on the board resolutions approving the Shareholder Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Ahsay HK”	Ahsay Systems Corporation Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Ahsay Korea”	Ahsay Korea Co. Limited, a private company incorporated in Korea with limited liability and an Independent Third Party
“Board”	the board of Directors
“Capital Contribution”	the contribution of an aggregate amount of KRW250 million (equivalent to approximately HK\$1.7 million) by Ahsay HK to Ahsay Korea
“Company”	Ahsay Backup Software Development Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the GEM of The Stock Exchange
“Director(s)”	director(s) of the Company
“Existing Shareholders”	Ms. Kim Sun Hee, Ms. Kim Hyeon OK, Mr. Lee Sang Don, Mr. Yu Chulkyun and Mr. Park Sung-IL, collectively the existing shareholders of Ahsay Korea prior to entering into the Shareholder Agreement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individuals or companies independent of the Company and its connected persons (as defined in the Listing Rules)
“Korea”	the Republic of Korea
“KRW”	Korean Won, the lawful currency of South Korea
“Shareholder Agreement”	the shareholder agreement dated 29 April 2019 entered into between Ahsay HK and the Existing Shareholders relating to Ahsay Korea
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 29 April 2019

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 Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 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>.