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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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE RENEWAL OF TENANCY AGREEMENT

THE TENANCY RENEWAL AGREEMENT

Reference is made to the announcement of the Company dated 12 November 2021 regarding the Office Premises Tenancy Agreement in respect of the leasing of the Office Premises.

The Office Premises Tenancy Agreement will expire on 31 December 2023. On 10 November 2023, Ahsay HK as tenant and Assets Sino HK as landlord entered into the Tenancy Renewal Agreement in relation to the renewal of the term of the Office Premises Tenancy Agreement for a further term of one year commencing from 1 January 2024 to 31 December 2024 at a monthly rent of HK\$210,000 (exclusive of government rates, government rent and management fee).

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this announcement, Assets Sino HK is indirectly owned by Mrs. Chong Li Sau Fong (the spouse of Mr. Chong King Fan and the mother of Mr. Chong Siu Pui, Mr. Chong Siu Ning and Ms. Chong Siu Fan), Mr. Chong Siu Pui and Mr. Chong Siu Ning, the Controlling Shareholders, as to 40%, 30% and 30%, respectively. Hence, Assets Sino HK, being an associate of each of Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning, is a connected person of the Company under Chapter 20 of the GEM Listing Rules, and thus Mr. Chong King Fan, Mr. Chong Siu Pui, Mr. Chong Siu Ning and Ms. Chong Siu Fan have abstained from voting on the Board resolution approving the Tenancy Renewal Agreement.

As the highest applicable percentage ratio (as prescribed under Chapter 20 of the GEM Listing Rules) in respect of the Tenancy Renewal Agreement calculated based on the aggregate value of the right-of-use asset exceeds 5% but is less than 25% and the aggregate value of right-of-use assets under the Tenancy Renewal Agreement is less than HK\$10,000,000, the transaction contemplated under the Tenancy Renewal Agreement constitutes (i) a discloseable transaction of the Company that is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules; and (ii) a connected transaction of the Company that is subject to reporting and announcement requirements, but exempt from the circular and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 12 November 2021 regarding the Office Premises Tenancy Agreement in respect of the leasing of the Office Premises.

The Office Premises Tenancy Agreement will expire on 31 December 2023. On 10 November 2023, Ahsay HK as tenant and Assets Sino HK as landlord entered into the Tenancy Renewal Agreement in relation to the renewal of the term of the Office Premises Tenancy Agreement for a further term of one year commencing from 1 January 2024 to 31 December 2024 at a monthly rent of HK\$210,000 (exclusive of government rates, government rent and management fee).

THE TENANCY RENEWAL AGREEMENT

The principal terms of the Tenancy Renewal Agreement are summarised as below:

Date:	10 November 2023
Parties:	(i) Assets Sino HK (as landlord) (ii) Ahsay HK (as tenant)
Location of properties:	The whole of 28th Floor and Car Parking Space No. P5 on 2nd Floor of Ford Glory Plaza, No. 37 Wing Hong Street, Lai Chi Kok, Kowloon, Hong Kong
Size of properties: (gross floor area)	Approximately 10,377 square feet (excluding area of car parking space)
Term:	One year commencing from 1 January 2024 to 31 December 2024 (both days inclusive)

Monthly rent:	HK\$210,000 (exclusive of government rates, government rent and management fee)
Use of properties:	Principal place of business of the Group in Hong Kong
Deposit:	Upon the signing of the Renewal Tenancy Agreement, the sum of HK\$420,000 being the deposit transferred from the Office Premises Tenancy Agreement to the Tenancy Renewal Agreement.

Right of use asset value

The aggregate value of the right-of-use assets to be recognised by the Group in respect of the tenancy of the Office Premises under the Tenancy Renewal Agreement is expected to be approximately HK\$2,307,000, which includes the present value of the aggregated rental payments to be made during the term of the Tenancy Renewal Agreement in accordance with HKFRS 16.

Basis of determination

The rent payable to Assets Sino HK under the Tenancy Renewal Agreement is based on the amount of rent payable under the Office Premises Tenancy Agreement, which was determined after arm's length negotiation between the parties with reference to the prevailing market rent for properties of similar use.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY RENEWAL AGREEMENT

The Office Premises have been rented by Ahsay HK for use as its head office and the Group considers that the Office Premises are suitable for conducting the business of the Group. Thus, Ahsay HK entered into the Tenancy Renewal Agreement to secure the continuous use of the Office Premises as the Group's principal place of business in Hong Kong.

The terms of the Tenancy Renewal Agreement were negotiated on an arm's length basis between the parties. The Directors (including the independent non-executive Directors) considered that the terms of the Tenancy Renewal Agreement are fair and reasonable and on normal commercial terms, and the entering into of the Tenancy Renewal Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE PARTIES TO THE TENANCY RENEWAL AGREEMENT

The Company is principally engaged in investment holding and its subsidiaries are principally engaged in the provision of online backup software solutions.

The principal activity of Assets Sino HK is properties investment. Assets Sino HK is a company incorporated in Hong Kong with limited liability and is indirectly owned by Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning, the Controlling Shareholders, as to 40%, 30% and 30%, respectively.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of this announcement, Assets Sino HK is indirectly owned by Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning, the Controlling Shareholders, as to 40%, 30% and 30%, respectively. Hence, Assets Sino HK, being an associate of each of Mrs. Chong Li Sau Fong (the spouse of Mr. Chong King Fan and the mother of Mr. Chong Siu Pui, Mr. Chong Siu Ning and Ms. Chong Siu Fan), Mr. Chong Siu Pui and Mr. Chong Siu Ning, is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Tenancy Renewal Agreement constitutes a connected transaction for the Company.

The aggregate value of the right-of-use asset to be recognised by the Group under the Tenancy Renewal Agreement amounts to approximately HK\$2,307,000. As the highest applicable percentage ratios (as prescribed under Chapter 20 of the GEM Listing Rules) in respect of the Tenancy Renewal Agreement based on the aggregate value of the right-of-use asset exceeds 5% but is less than 25% and the aggregate value of the right-of-use asset is less than HK\$10,000,000, the Tenancy Renewal Agreement constitutes (i) a discloseable transaction of the Group which is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules; and (ii) a connected transaction which is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Except for Mr. Chong King Fan, Mr. Chong Siu Pui, Mr. Chong Siu Ning and Ms. Chong Siu Fan, who are connected persons of the Company, none of the Directors (including the independent non-executive Directors) have any material interest in the transactions. Mr. Chong King Fan, Mr. Chong Siu Pui, Mr. Chong Siu Ning and Ms. Chong Siu Fan have abstained from voting on the Board resolution approving the Tenancy Renewal Agreement.

DEFINITIONS

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

- “Able Future” Able Future Investments Limited, a company incorporated in the BVI on 11 March 2015 with limited liability and is owned as to 40%, 30% and 30% by Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning, respectively. Mr. Chong King Fan, Mr. Chong Siu Pui and Mr. Chong Siu Ning are the directors of Able Future. Able Future is one of the Controlling Shareholders
- “Ahsay HK” Ahsay Systems Corporation Limited (亞勢系統有限公司), a company incorporated under the laws of Hong Kong on 29 November 1994 with limited liability and an indirect wholly-owned subsidiary of the Company
- “All Divine” All Divine Investments Limited, a company incorporated in the BVI on 10 March 2015 with limited liability and is wholly-owned by Able Future. Mr. Chong King Fan, Mr. Chong Siu Pui and Mr. Chong Siu Ning are the directors of All Divine. All Divine is one of the Controlling Shareholders
- “Assets Sino BVI” Assets Sino Investments Limited, a company incorporated in the BVI on 11 March 2015 with limited liability and is directly owned as to 40%, 30% and 30% by Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning respectively. Mr. Chong King Fan, Mr. Chong Siu Pui and Mr. Chong Siu Ning are the directors of Assets Sino BVI. Assets Sino BVI is one of the Controlling Shareholders
- “Assets Sino HK” Assets Sino Investments (HK) Limited, a company incorporated in Hong Kong on 2 April 2015 with limited liability and a direct wholly-owned subsidiary of Assets Sino BVI. Assets Sino HK is a connected person of the Company
- “associate(s)” has the meaning ascribed to it under the GEM Listing Rules
- “Board” the board of Directors
- “BVI” British Virgin Islands
- “Company” Ahsay Backup Software Development Company Limited (亞勢備份軟件開發有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 10 April 2015

“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and, means the controlling shareholders of our Company, namely Able Future, All Divine, Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui and Mr. Chong Siu Ning
“Director(s)”	the director(s) of our Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Group” or “our Group”	our Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Mr. Chong King Fan”	Mr. Chong King Fan (莊景帆), our executive Director, the spouse of Mrs. Chong Li Sau Fong, the father of Mr. Chong Siu Pui, Mr. Chong Siu Ning and Ms. Chong Siu Fan
“Mr. Chong Siu Ning”	Mr. Chong Siu Ning (莊小靈), the chairman of the Board, our executive Director, one of our Controlling Shareholders, a son of Mr. Chong King Fan and Mrs. Chong Li Sau Fong, a brother of Mr. Chong Siu Pui and Ms. Chong Siu Fan
“Mr. Chong Siu Pui”	Mr. Chong Siu Pui (莊小霽), the vice chairman of the Board and chief executive officer of the Company, our executive Director, one of our Controlling Shareholders, a son of Mr. Chong King Fan and Mrs. Chong Li Sau Fong, a brother of Mr. Chong Siu Ning and Ms. Chong Siu Fan
“Mrs. Chong Li Sau Fong”	Mrs. Chong Li Sau Fong (莊李秀芳), one of our Controlling Shareholders, the spouse of Mr. Chong King Fan, the mother of Mr. Chong Siu Pui, Mr. Chong Siu Ning and Ms. Chong Siu Fan
“Ms. Chong Siu Fan”	Ms. Chong Siu Fan (莊小霽), our non-executive Director, a daughter of Mr. Chong King Fan and Mrs. Chong Li Sau Fong, a sister of Mr. Chong Siu Pui and Mr. Chong Siu Ning

“Office Premises”	the whole of 28th Floor and Car Parking Space No. P5 on 2nd Floor of Ford Glory Plaza, No. 37 Wing Hong Street, Lai Chi Kok, Kowloon, Hong Kong
“Office Premises Tenancy Agreement”	the Office Premises Tenancy Agreement dated 12 November 2021 entered into between Ahsay HK as tenant and Assets Sino HK as landlord in respect of leasing of Office Premises
“Tenancy Renewal Agreement”	the tenancy agreement dated 10 November 2023 entered into between Ahsay HK as tenant and Assets Sino HK as landlord in respect of the renewal of the tenancy for the Office Premises under the Office Premises Tenancy Agreement
“Shareholder(s)”	the shareholder(s) of the Company
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 10 November 2023

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, 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 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 of the Stock Exchange website at www.hkexnews.hk 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>.