
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **AHSAY BACKUP SOFTWARE DEVELOPMENT COMPANY LIMITED** (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker, registered dealer in securities or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;**
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company (“**AGM**”) to be held at 9:30 a.m. on Friday, 24 April 2020 at Conference Room, 28th Floor, Ford Glory Plaza, No. 37 Wing Hong Street, Lai Chi Kok, Hong Kong is set out on pages 17 to 21 of this circular. A form of proxy for use by the shareholders at the AGM is enclosed.

Whether or not you are able to attend the AGM, you are advised to read this circular and to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

This circular, together with a form of proxy, will remain on the “Latest Listed Company Information” page on the GEM website at www.hkgem.com for at least 7 days from the date of its publication and will also be published on the Company’s website at <http://www.ahsay.com.hk>.

24 March 2020

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 9:30 a.m. on Friday, 24 April 2020 at Conference Room, 28th Floor, Ford Glory Plaza, No. 37 Wing Hong Street, Lai Chi Kok, Hong Kong, for the purpose of considering and if thought fit, approving, inter alia, the resolutions proposed in this circular
“Articles”	the articles of association of the Company as amended, supplemented or modified from time to time
“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented and/or otherwise modified from time to time
“Company”	Ahsay Backup Software Development Company Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares of which are listed on GEM (Stock Code: 8290)
“controlling shareholder(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares with the aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	18 March 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Date”	8 October 2015, being the date on which dealing in the Shares first commenced on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong as amended from time to time
“US”	United States of America
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chong King Fan (*Chairman*)
Mr. Chong Siu Pui (*Chief Executive Officer*)
Mr. Chong Siu Ning (*Vice Chairman*)
Ms. Chong Siu Fan

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. Wong Cho Kei Bonnie
Ms. Wong Pui Man
Mr. Wong Yau Sing

Head office and principal place

of business in Hong Kong:
28/F, Ford Glory Plaza
No. 37 Wing Hong Street
Lai Chi Kok
Hong Kong

24 March 2020

To the Shareholders

Dear Sirs or Madams,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;**
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) the granting of the Issue Mandate to the Directors;

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- (b) the granting of the Repurchase Mandate to the Directors;
- (c) the granting of the extension mandate to extend the Issue Mandate by an amount representing the aggregate nominal amount of any Shares purchased or repurchased under the Repurchase Mandate; and
- (d) the proposed re-election of the retiring Directors.

A notice convening the AGM setting out the details of the ordinary resolutions to be proposed at the AGM is set out on pages 17 to 21 of this circular.

ISSUE MANDATE

The Directors have been granted a general and unconditional mandate to allot, issue and deal with Shares pursuant to the ordinary resolutions duly passed by the Shareholders on 26 April 2019. The existing issue mandate would expire: (a) at the end of the next annual general meeting of the Company; (b) at the end of the period within which the Group is required by any applicable laws or the Articles to hold its next annual general meeting of the Company; or (c) when varied or revoked by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

As at the Latest Practicable Date, the existing general mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general and unconditional mandate to allot, issue and deal with new Shares with the aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing the relevant resolution.

REPURCHASE MANDATE

The Directors have been granted a general and unconditional mandate to exercise the power of the Company to repurchase Shares pursuant to the ordinary resolutions duly passed by the Shareholders on 26 April 2019. The repurchase mandate would expire: (a) at the end of the next annual general meeting of the Company; (b) at the end of the period within which the Group is required by any applicable laws or the Articles to hold its next annual general meeting of the Company; or (c) when varied or revoked by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

As at the Latest Practicable Date, the existing repurchase mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general mandate to exercise all the powers of the Company to purchase or repurchase Shares with the aggregate nominal value not exceeding 10% of the

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aggregate nominal value of the issued share capital of the Company on the date of passing the relevant resolution. An explanatory statement giving the particulars required under Rule 13.08 of the GEM Listing Rules in respect of the Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out Appendix I to this circular.

The Company has in issue an aggregate of 2,000,000,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolutions for the approval of the Issue Mandate and the Repurchase Mandate and in accordance with the terms therein, the Company would be allowed to allot, issue and deal with a maximum of 400,000,000 new Shares and to repurchase a maximum of 200,000,000 Shares respectively, on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

EXTENSION OF ISSUE MANDATE

In addition, subject to the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to authorise the Directors to extend the Issue Mandate to allot and issue Shares by an amount of shares representing the aggregate nominal value of shares of the Company purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Repurchase Mandate.

RE-ELECTION OF THE DIRECTORS

As at the Latest Practicable Date, the Board consisted of seven Directors, namely, Mr. Chong King Fan, Mr. Chong Siu Pui, Mr. Chong Siu Ning, Ms. Chong Siu Fan, Mr. Wong Cho Kei Bonnie, Ms. Wong Pui Man and Mr. Wong Yau Sing.

According to Articles 84(1) of the Articles, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subjected to retirement at an AGM at least once every three years.

According, under Article 84(1) of the Articles, Mr. Chong King Fan, Mr. Chong Siu Ning and Ms. Wong Pui Man will retire as Directors by rotation and, being eligible, will offer themselves for re-election as Directors at the AGM.

The biographical details of the retiring Directors eligible for re-election at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

The Nomination Committee of the Company has reviewed and assessed the annual confirmation of independence of each of the independent non-executive Directors based on the independence criteria as set out in Rule 5.09 of the Listing Rules and formed the view that all of them remain independent. In particular, the Nomination Committee is satisfied that Ms. Wong Pui Man, the independent non-executive Director who will stand for re-election at the AGM, has and will continue to provide valuable contributions to the Company and demonstrate her ability to exercise independence of judgement and provide a balanced and objective view in relation to the Company's affairs which will continue to be of significant benefit to the Company. Ms. Wong Pui Man had obtained from deliberation and decision in respect of the assessment of her own independences.

The Company has put in place nomination procedures and selection criteria in the nomination of candidates to be appointed or re-appointed as Directors of the Company. The Nomination Committee has considered selection criteria on, among others, age, gender, skills, professional experience, knowledge and length of service of the independent non-executive Directors as described in their biographies set out in Appendix II to this circular, having regard to the Company's board diversity policy and is of the view that Ms. Wong Pui Man has extensive professional experience in Information and Systems management that is relevant to the Company's business. In addition, her diversity of experience has enabled her to provide valuable and diverse views, as well as relevant insights to the Board and to contribute to the diversity of the Board. The re-appointment of Ms. Wong Pui Man was recommended by the Nomination Committee, and the Board has accepted the recommendations following a review of her overall contribution and service to the Company.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on Friday, 24 April 2020. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 20 April 2020 to Friday, 24 April 2020, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 17 April 2020.

LETTER FROM THE BOARD

AGM AND PROXY ARRANGEMENT

The notice convening the AGM to be held at 9:30 a.m. on Friday, 24 April 2020 at Conference Room, 28th Floor, Ford Glory Plaza, No. 37 Wing Hong Street, Lai Chi Kok, Hong Kong is set out on pages 17 to 21 of this circular. Ordinary resolutions will be proposed at the AGM for the purpose of considering and if thought fit, approving, inter alia, the resolutions proposed in this circular.

A form of proxy for use in connection with the AGM is enclosed herewith. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjourned meeting thereof) should you so wish.

VOTING AT THE AGM

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be made by the Company after the AGM, in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules, on the results of the AGM.

RECOMMENDATION

The Directors believe that the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of retiring Directors are in the interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, 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,

LETTER FROM THE BOARD

confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

GENERAL INFORMATION

Your attention is also drawn to the appendices to this circular.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,

By order of the Board

Ahsay Backup Software Development Company Limited

Chong King Fan

Chairman and Executive Director

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,000,000,000 Shares. As at the Latest Practicable Date, the Company did not have any outstanding options, warrants and convertible securities to subscribe for the Shares.

Assuming that no further Shares are issued or repurchased during the period from the Latest Practicable Date until the AGM, exercise in full of the Repurchase Mandate, on the basis of 2,000,000,000 Shares in issue as at the Latest Practicable Date, could result in up to a maximum of 200,000,000 Shares being repurchased by the Company.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The number of Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

3. SOURCE OF FUNDS

The Company is empowered by the Articles to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Cayman Companies Law, the GEM Listing Rules and/or other applicable laws, rules and regulations, as the case may be.

Any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if authorised by the Articles and subject to the Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The premium, if any, payable on repurchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are

repurchased or, if authorised by the Articles and subject to Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

The Company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

5. IMPACT ON WORKING CAPITAL OR GEARING POSITION

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and all applicable laws of the Cayman Islands.

7. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules) has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell any of their Shares to the Company or its subsidiaries pursuant to the Repurchase Mandate.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any of his/her/its Shares to the Company or has undertaken not to sell any of the Shares held by him/her/it to the Company, in the event that the Company is authorized to make repurchases of the Shares.

8. THE TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the controlling Shareholders (as defined in the GEM Listing Rules) to the best knowledge of the Directors, namely Mrs. Chong Li Sau Fong, Mr. Chong Siu Pui, Mr. Chong Siu Ning, All Divine Investments Limited and Able Future Investments Limited, together with their parties acting in concert (within the meaning of the Takeovers Code) and their respective associates, were beneficially interested in 1,500,000,000 Shares representing 75.00% of the issued Shares. In the event that the Directors exercise the Repurchase Mandate in full the power of the Company to repurchase Shares, the interest of the controlling Shareholders, together with their parties acting in concert and their respective associates, in the Company would be increased to approximately 83.33% of the issued Shares. Such increase will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase and no disposal by any of the controlling Shareholders of their interests in the Shares, an exercise of Repurchase Mandate may result in less than 25% of the Shares being held by the public. In any event, unless otherwise approved by the Stock Exchange, the Directors will refrain from exercising the power conferred by the Repurchase Mandate to an extent as may result in a public shareholding of less than 25%.

9. SHARE PRICES

The highest and lowest traded prices were traded on GEM in each of the twelve months preceding the Latest Practicable Date and up to the Latest Practicable Date were as follows:

	Price per Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2019		
March 2019	0.054	0.048
April 2019	0.053	0.046
May 2019	0.054	0.044
June 2019	0.052	0.045
July 2019	0.050	0.037
August 2019	0.043	0.038
September 2019	0.044	0.033
October 2019	0.044	0.033
November 2019	0.040	0.029
December 2019	0.033	0.028
2020		
January 2020	0.038	0.027
February 2020	0.036	0.030
March 2020 (up to the Latest Practicable Date)	0.034	0.026

10. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares had been made by the Company during the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM.

EXECUTIVE DIRECTORS

Mr. Chong King Fan (莊景帆), aged 72, was appointed as a Director on 10 April 2015 and designated as the chairman of our Board and an executive Director on 9 June 2015. Mr. Chong King Fan is responsible for overseeing the business development and in-house operations of our Group.

After moving to Hong Kong in 1960, Mr. Chong King Fan attended evening English classes from September 1962 to June 1966 in Eton E. T. School, a private tuition school in Hong Kong. Mr. Chong King Fan worked in Ban Thong Company Limited, the principal activities of which are investment holding and general merchants, from 1963 to March 1993 during which he started working as the personal assistant and his last title was managing director. He was mainly responsible for managing the exports of white sugar and rice from China and the expansion of China export trading business with chemical products. Since April 1993, Mr. Chong King Fan has been the managing director of Million Trader (Hong Kong) Limited, the principal activities of which are trading in dyestuff and chemicals, management services and property investment. He was mainly responsible for overall business operation, arranging financial resources and exploring new business opportunities.

Mr. Chong King Fan now acts as an honorary chairman as well as a vice chairman of various merchants associations in Hong Kong. He acted as a chairman of Hong Kong Petroleum Chemicals & Pharmaceutical Materials Merchants Association Limited from March 1987 to March 1995 and thereafter he has been acting as an honorary chairman. Mr. Chong King Fan acted as a vice chairman of Hong Kong Dyestuffs Merchants' Association Limited from 1995 to 2011 and he has been acting as a chairman since 2012. He acted as a vice chairman of the Industrial Chemical Merchants Association Limited from 2013 to February 2016 and he has been a director since 2017. He has been an honorary director of Kowloon West Chaoren Association Limited since 2009 and acted as a vice chairman from 2013 to January 2015. He has been a vice chairman and an honorary consultant of Hong Kong Chongqing Friendship Federation Limited from 2013 to 2016 and he has been an executive committee member since 2017. Mr. Chong King Fan has also established his community network. He served as a director of the General Association of Kowloon District Affairs Consultants Limited since February 2010 and became an honorary chairman since May 2015. He has held various positions in Federation of Sham Shui Po District Affairs since June 1998, including acting as an executive committee member and a chairman.

Mr. Chong King Fan was an advisor to the Hong Kong District Affairs under the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (previously known as Xinhua News Agency Hong Kong Branch), and was a committee member of the Chongqing Committee of Chinese People's Political Consultative Conference (中國人民政治協商會議重慶市委員會). He is the spouse of Mrs. Chong Li Sau Fong ("**Mrs. Chong**"), a Controlling Shareholder, the father of Mr. Chong Siu Pui, Mr. Chong Siu Ning and Ms. Chong Siu Fan, Directors, and the uncle of Mr. Chong Kam Fung, the company secretary of our Company and the finance director of Ahsay Systems Corporation Limited ("**Ahsay HK**"), an indirect wholly-owned subsidiary of the Company.

As at the Latest Practicable Date, All Divine Investments Limited held a long position of 1,500,000,000 Shares, representing 75% of the issued Shares. All Divine Investments Limited is wholly-owned by Able Future Investments Limited which is owned as to 40%, 30% and 30% by Mrs. Chong, Mr. Chong Siu Pui and Mr. Chong Siu Ning, respectively. By virtue of the SFO, Mr. Chong King Fan, who is the spouse of Mrs. Chong, is deemed to be interested in the Shares held by All Divine Investments Limited.

Mr. Chong King Fan has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date but will be subject to retirement by rotation and eligible for re-election pursuant to the Articles. Mr. Chong King Fan will be entitled to a fixed salary of HK\$537,288 and a director's fee of HK\$200,000 per annum, which was determined by the Board on recommendation of the remuneration committee by reference to his duties and responsibilities with the Company, the Company's performance and current market situation.

Mr. Chong Siu Ning (莊小靈) ("**Mr. Scherring Chong**"), aged 46, was appointed as a Director on 10 April 2015 and designated as the vice-chairman of our Board and an executive Director on 9 June 2015. He is one of the founders of our Group. He has also been the director and information technology & marketing director of Ahsay HK since August 1999 and July 2000 respectively. Mr. Scherring Chong is responsible for overseeing the business development, strategic planning and information technology development of our Group.

Mr. Scherring Chong received his Bachelor of Engineering in computer engineering from the University of New South Wales, Australia, graduating with 1st class honours in January 1997.

Mr. Scherring Chong has extensive experience in the backup software industry. Prior to forming our Group, he worked as an associate software specialist at Oracle Systems Hong Kong Ltd. from June 1997 to March 1999. Mr. Scherring Chong is the son of Mr. Chong King Fan, the

younger brother of Mr. Chong Siu Pui and Ms. Monita Chong, the son of Mrs. Chong, a Controlling Shareholder, and the cousin of Mr. Chong Kam Fung, the company secretary of our Company and the finance director of Ahsay HK.

As at the Latest Practicable Date, All Divine Investments Limited held a long position of 1,500,000,000 Shares, representing 75% of the issued Shares. All Divine Investments Limited is wholly owned by Able Future Investments Limited which is owned by Mrs. Chong, Mr. Chong Siu Pui and Mr. Scherring Chong as to 40%, 30% and 30%, respectively. By virtue of the SFO, Mr. Scherring Chong is deemed to be interested in the Shares held by All Divine Investments Limited.

Mr. Scherring Chong has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date but will be subject to retirement by rotation and eligible for re-election pursuant to the Articles. Mr. Scherring Chong will be entitled to a fixed salary of HK\$3,600,000 and a director's fee of HK\$200,000 per annum, which was determined by the Board on recommendation of the remuneration committee by reference to his duties and responsibilities with the Company, the Company's performance and current market situation.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Pui Man (黃佩文) ("Ms. Wong"), aged 47, is an independent non-executive Director appointed on 4 September 2015. Ms. Wong is responsible for providing independent advice to the Board of our Group. Ms. Wong obtained the Bachelor of Business Administration in Information and Systems Management from The Hong Kong University of Science and Technology in November 1996. Ms. Wong received her Bachelor of Chinese Medicine from Hong Kong Baptist University in November 2009. Ms. Wong holds the Practising Certificate for Registered Chinese Medicine Practitioner and is a registered Chinese medicine practitioner. Ms. Wong currently runs her own Chinese medicine clinic starting from July 2017.

Ms. Wong worked as an IT manager at ThreeSixty Sourcing Ltd., which is principally engaged in product development and sourcing, from May 2003 to July 2011, during which she was mainly responsible for developing, enhancing and maintaining the accounting and sourcing system. Ms. Wong worked as a senior application specialist at Oracle Systems Hong Kong Limited, a cloud-based and on-premises solutions provider, from August 1996 to March 2000 and from August 2000 to April 2003, during which she was mainly responsible for providing consultation and supporting service to Oracle ERP solution customer.

As at the Latest Practicable Date, Ms. Wong has never had, and is not deemed to have, any interests or short positions in any Shares, underlying Shares or debentures (as defined under Part XV of the SFO) of the Company.

Ms. Wong has entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date, but will be subject to retirement by rotation and eligible for re-election pursuant to the Articles. Ms. Wong will be entitled to a remuneration of HK\$200,000 per annum, which was determined by the Board on recommendation of the remuneration committee by reference to his duties and responsibilities with the Company, the Company's performance and current market situation.

GENERAL

Save as disclosed above, none of the above Directors:

- (i) held any other positions in any members of the Group as at the Latest Practicable Date;
- (ii) had any other relationship with any Directors, senior management or substantial shareholders or controlling shareholders of the Company as at the Latest Practicable Date;
- (iii) held any other directorships in listed public companies in the three years prior to the Latest Practicable Date; and
- (iv) had any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information in relation to the above Directors that needs to be disclosed pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 17.50(2)(w) of the GEM Listing Rules.

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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)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Ahsay Backup Software Development Limited (the “**Company**”) will be held at 9:30 a.m. on Friday, 24 April 2020 at Conference Room, 28th Floor, Ford Glory Plaza, No. 37 Wing Hong Street, Lai Chi Kok, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and the independent auditor of the Company for the year ended 31 December 2019;
2. To re-elect Mr. Chong King Fan as an executive director of the Company;
3. To re-elect Mr. Chong Siu Ning as an executive director of the Company;
4. To re-elect Ms. Wong Pui Man as an independent non-executive director of the Company;
5. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
6. To re-appoint Ernst & Young as the auditor of the Company and authorise the Board to fix the auditor’s remuneration; and

as special business, to consider and, if thought fit, pass the following resolutions (with or without amendments) as ordinary resolutions:

7. “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with new shares in the capital of the

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Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as amended from time to time) (the “**GEM Listing Rules**”) be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); (ii) the exercise of the rights of subscription or conversion under the terms of any warrants which may be issued by the Company or any securities which are convertible into shares; (iii) the exercise of options granted under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees, officers, Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company; and (iv) any scrip dividend or similar arrangement providing for allotment and issue of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking or varying such mandate.

“Rights Issue” means an offer of shares of the Company or offer or issue of warrants or options or other securities giving rights to subscribe for the shares of the Company open for a period fixed by the Directors to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holding of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange, in any territory outside Hong Kong, applicable to the Company).”

8. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase or repurchase shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company on the Stock Exchange or on any other stock exchange on which the shares or securities of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Securities and Futures Commission, the Companies Law of the Cayman Islands, the GEM Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company which may be purchased or repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

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(c) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable laws of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking or varying such mandate.”
9. “**THAT** conditional upon resolutions no. 7 and no. 8 above being passed (with or without amendments), the general and unconditional mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with shares of the Company pursuant to the resolution set out in resolution no. 7 above be and is hereby extended by the addition thereto an amount of shares representing the aggregate nominal amount of shares of the Company purchased or repurchased by the Company pursuant to the authority granted to the directors of the Company under resolution no. 8 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”

By order of the Board

Ahsay Backup Software Development Company Limited

Chong King Fan

Chairman and Executive Director

Hong Kong, 24 March 2020

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Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting shall be entitled to appoint one or if he is a holder of two or more shares of the Company, more than one proxies to attend and vote in his stead. A proxy need not be a member of the Company but must be present in person in the Annual General Meeting to represent the member. Completion and return of the form of proxy will not preclude a member of the Company from attending the Annual General Meeting and voting in person should he so wish. In such event, his form of proxy will be deemed to have been revoked.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized on its behalf.

2. Where there are joint registered holders of any share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. A form of proxy for the annual general meeting is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof.
4. To ascertain the members' entitlement to attend and vote at the meeting, the register of members will be closed from Monday, 20 April 2020 to Friday, 24 April 2020, both days inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 17 April 2020.
5. An explanatory statement containing further details regarding resolution no. 8 above is set out in Appendix I to this circular of which this notice of AGM forms part.
6. Details of the retiring directors of the Company are set out in Appendix II to this circular.
7. Members of the Company or their proxies shall produce documents of their proof of identity when attending the annual general meeting.
8. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at <http://www.ahsay.com.hk> and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, 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.