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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)

INSIDE INFORMATION ANNOUNCEMENT DISTRIBUTION AGREEMENT WITH ESTORAGE TECHNOLOGY CORP.*

This announcement is made by Ahsay Backup Software Development Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and 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).

On 21 April 2016, Ahsay Systems Corporation Limited (“**Ahsay HK**”), a wholly-owned subsidiary of the Company, entered into a distribution agreement (the “**Distribution Agreement**”) with eSTORAGE Technology Corp.* (資享科技股份有限公司) (“**eSTORAGE**”), a company incorporated in Taiwan, the Republic of China (“**Taiwan**”). eSTORAGE is principally engaged in the provision of backup services targeted at small and medium-sized enterprises in Taiwan.

PRINCIPAL TERMS OF THE DISTRIBUTION AGREEMENT

Pursuant to the Distribution Agreement, Ahsay HK granted eSTORAGE a non-exclusive license to distribute, sell and deliver certain backup software products (the “**Products**”) under the trademarks and trade names of Ahsay HK in Taiwan. eSTORAGE shall diligently and faithfully serve Ahsay HK as its distributor in Taiwan. The cost of all returns from customers and all after sales support services relating to the Products shall be borne by eSTORAGE unless otherwise specified. Ahsay HK reserves the right to improve or modify the Products without prior notice to eSTORAGE.

The Distribution Agreement is for a period of two years commencing from the date of the Distribution Agreement subject to early termination as provided in the Distribution Agreement.

REASONS FOR ENTERING INTO THE DISTRIBUTION AGREEMENT

Currently, the Group mainly makes sales to the customers through our sales websites. However, the Group intends to expand our business by arranging additional distribution channel for offering the Products to customers. The Board considers that the appointment of eSTORAGE as a distributor of the Group in Taiwan under the Distribution Agreement represents a good opportunity for the Group to expand our distribution channel as well as to increase our market share in Taiwan.

GENERAL

The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge, information and belief, eSTORAGE and its ultimate beneficial owner(s) is a third party independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules).

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

Hong Kong, 21 April 2016

As at the date of this announcement, the executive Directors are Mr. CHONG King Fan, Mr. CHONG Siu Pui and Mr. CHONG Siu Ning; 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 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/en/investor-relations/announcements.jsp>.

* For identification purpose only