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**EXPERT  
EXPERT SYSTEMS HOLDINGS LIMITED**

**思博系統控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8319)**

**CONTINUING CONNECTED TRANSACTIONS  
FRAMEWORK IT SUPPORT AGREEMENT**

**BACKGROUND**

The Board announces that on 28 March 2024, the Company entered into the Framework IT Support Agreement with ServiceOne International, pursuant to which the ServiceOne Group agreed to provide the IT Support Services to the Group for a term commencing from 1 April 2024 to 31 March 2027.

At the time of entering into the Framework IT Support Agreement on 28 March 2024, it was expected that the annual transaction amount in respect of the IT Support Services to be provided by the ServiceOne Group to the Group for each of the years ending 31 March 2025, 2026 and 2027 would not exceed HK\$3,000,000. Given that the increasing cybersecurity incidents in Hong Kong has heightened market awareness regarding information security and the need to strengthen protection against cyber threats, there has been a strong demand for cybersecurity consulting services, including security risk assessments and audits, thereby offering business opportunities for the Company. Since the last quarter of 2024, the Group has experienced a substantial increase in purchase orders for cybersecurity consulting services from both institutional and corporate customers. This trend is expected to lead to a significant rise in the Group’s demand for the IT Support Services from the ServiceOne Group.

## **GEM LISTING RULES IMPLICATIONS**

Taking into consideration that as at the date of the Framework IT Support Agreement and the date of this announcement, (i) ServiceOne International is a non wholly-owned subsidiary of the Company; and (ii) the Shareholders Group is a substantial shareholder of the Company and owns approximately 93.5% of ServiceOne Global, which in turn owns 30% of ServiceOne International, ServiceOne International is a connected subsidiary of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Framework IT Support Agreement constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

The Aggregate Historical Amount amounted to HK\$2,783,000. Given that all of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Aggregate Historical Transactions is less than 5% and the Aggregate Historical Amount is less than HK\$3,000,000, the Aggregate Historical Transactions are fully exempted from the announcement, circular, reporting, annual review requirements and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

It is currently expected that the maximum aggregate annual transaction amount in respect of the IT Support Services to be provided by the ServiceOne Group to the Group for each of the three years ending 31 March 2025, 2026 and 2027 would be more than HK\$3,000,000 as estimated by the Group when the Framework IT Support Agreement was entered into. As such, the Group has revised and formulated the Annual Caps for the three years ending 31 March 2025, 2026 and 2027 as HK\$5,400,000, HK\$8,100,000 and HK\$9,900,000 respectively.

As the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Annual Caps are more than 5% but less than 25% but the annual consideration pursuant to the Framework IT Support Agreement is more than HK\$3,000,000 but less than HK\$10,000,000, the transactions contemplated under the Framework IT Support Agreement are subject to the announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Board announces that on 28 March 2024, the Company entered into the Framework IT Support Agreement with ServiceOne International, pursuant to which the ServiceOne Group agreed to provide the IT Support Services to the Group for a term commencing from 1 April 2024 to 31 March 2027.

## THE FRAMEWORK IT SUPPORT AGREEMENT

The details of the Framework IT Support Agreement are set out below:

- Date: 28 March 2024
- Parties: (i) Company (for itself and as trustee for the benefit of other members of the Group from time to time); and  
(ii) ServiceOne International (for itself and as trustee for the benefit of its subsidiaries from time to time)
- Terms: From 1 April 2024 to 31 March 2027 (both days inclusive)
- Subject matter: The ServiceOne Group shall provide the IT support services to the Group for its customers, including certain implementation work that requires broad level of skills but large labour force, as well as certain maintenance work, such as extended product warranties, technical support, application management, managed professional services and cybersecurity consulting services, which the Group will outsource to its sub-contractors (“**IT Support Services**”).
- Pricing policy: The service fees for the IT Support Services will be determined from time to time by the parties on arm’s length basis and normal commercial terms and with reference to, among others, the requirements of the Group in respect of the IT Support Services to be provided, the prevailing market prices for the same or similar IT Support Services obtained from independent IT support service providers (which the Company would obtain price quotations from at least two independent IT support service providers, details of which are set out in the section headed “Internal Control Measures” below) and the prevailing market competitive conditions and any other factors which may affect the terms and conditions (including the fees for the IT Support Services) at the material times.
- Payment terms: The payment terms shall be negotiated between the parties before signing the individual service agreement(s), provided that the payment terms shall not be less favourable than the terms offered by the Independent Third Parties to the Group for providing the same or similar services to the Group.
- Termination: Either party to the Framework IT Support Agreement has the right to terminate the Framework IT Support Agreement by giving the other party not less than three months’ prior written notice to this effect.

## Historical transactions

The historical service fees for the IT Support Services of the ServiceOne Group incurred by the Group for the three years ended 31 March 2024 are set out below:

	Year ended 31 March		
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
Total amount of the service fees	2,804	2,582	3,005

## Annual Caps and basis

At the time of entering into the Framework IT Support Agreement on 28 March 2024, it was expected that the annual transaction amount in respect of the IT Support Services to be provided by the ServiceOne Group to the Group for each of the years ending 31 March 2025, 2026 and 2027 would not exceed HK\$3,000,000. Given that the increasing cybersecurity incidents in Hong Kong has heightened market awareness regarding information security and the need to strengthen protection against cyber threats, there has been a strong demand for cybersecurity consulting services, including security risk assessments and audits, thereby offering business opportunities for the Company. Since the last quarter of 2024, the Group has experienced a substantial increase in purchase orders for cybersecurity consulting services from both institutional and corporate customers. This trend is expected to lead to a significant rise in the Group's demand for the IT Support Services from the ServiceOne Group. As such, the Group has revised and formulated the Annual Caps for the three years ending 31 March 2025, 2026 and 2027.

It is currently expected that for the years ending 31 March 2025, 2026 and 2027, the total amounts of the service fees for the IT Support Services payable by the Group to the ServiceOne Group shall not exceed the following caps:

	Annual Cap		
	For the year ending 31 March		
	2025	2026	2027
HK\$'000	HK\$'000	HK\$'000	
Total amount of the service fees	5,400 <sup>(Note)</sup>	8,100	9,900

*Note:* Such amount includes the Aggregate Historical Amount of approximately HK\$2,783,000.

In arriving at the Annual Caps, the Company has taken into account the following factors:

- (i) the historical transaction amounts of services fees in respect of the IT Support Services of the ServiceOne Group incurred by the Group for the three years ended 31 March 2024 and the period from 1 April 2024 to the date of this announcement;

- (ii) the expected growth in the IT Support Services required by the Group based on the projected customer demand for the Group's IT infrastructure solutions (in particular, cybersecurity consulting services) for the three years ending 31 March 2027, taking into account that:
  - (a) the significant rise in the Group's demand for the IT Support Services from the ServiceOne Group as mentioned above;
  - (b) the projected scope of and the projected demand for cybersecurity consulting services with reference to the Group's experience in its existing cybersecurity consulting services projects and the Group's interactions with its existing customers and potential customers based on the quotations and inquiries received from them;
  - (c) in respect of the Annual Cap for the year ending 31 March 2025, the expected cybersecurity consulting service orders which may be placed by the customers of the Group who are in active discussion with the Group by 31 March 2025; and
  - (d) the expected volume of the cybersecurity consulting service orders for the year ending 31 March 2025 for determining the Annual Cap for the year ending 31 March 2025 does not in substance represent the estimated cybersecurity consulting service orders for a full year. This is due to the minimal volume of the cybersecurity consulting service orders received by the Group from 1 April 2024 to 31 August 2024. In contrast, the Annual Caps for each of the year ending 31 March 2026 and 31 March 2027 reflect a full-year projection of the expected volume of cybersecurity consulting service orders of the Group. Consequently, the Company anticipates a relatively higher growth in the IT Support Services required by the Group for the year ending 31 March 2026, as compared to that for the year ending 31 March 2027; and
- (iii) the prevailing market prices of the IT Support Services in the open market.

#### **REASONS FOR ENTERING INTO AND BENEFITS OF THE FRAMEWORK IT SUPPORT AGREEMENT**

The Group is principally engaged in the provision of information technology (“IT”) infrastructure solutions, IT infrastructure management services and in the development and provision of artificial intelligence (“AI”) products and AI solutions for corporate and institutional customers in the Asia-Pacific region.

As one of the usual business activities of the Group is the provision of IT infrastructure solutions, pursuant to which the Group assesses, designs and implements IT infrastructure solutions for its customers by integrating hardware and/or software sourced from third party suppliers to satisfy various IT requirements and needs of its customers, and some of these customers of the Group may also require post-implementation services (i.e. the IT Support Services) which the Group (other than members of the ServiceOne Group) generally does not provide, the Group engages the ServiceOne Group to provide such IT Support Services to its customers. Taking into consideration (i) the business need of the Group as mentioned above; (ii) the service fees in respect of the IT Support Services charged by the ServiceOne Group have been and will be determined on normal commercial terms; and (iii) the benefits from collaboration among members of the Group and the economies of scale provided by the

Framework IT Support Agreement, which will reduce the operating costs and improve the business efficacy of the Group as a whole, the Board believes that the Framework IT Support Agreement is beneficial to the Group as a whole.

Save for (i) Mr. Chu, a non-executive Director; (ii) Mr. Wong, the chairman of the Company and a non-executive Director; (iii) Mr. Lau, the chief executive officer of the Company and an executive Director; and (iv) Mr. Chan, an executive Director, being part of the Shareholders Group that collectively owns approximately 93.5% of ServiceOne Global, which in turn owns 30% of ServiceOne International as at the date of the Framework IT Support Agreement, none of the Directors has a material interest in the transactions contemplated under the Framework IT Support Agreement. Accordingly, Mr. Chu, Mr. Wong, Mr. Lau and Mr. Chan (collectively, the “**Interested Directors**”) did not vote on the Board resolutions approving the Framework IT Support Agreement and the Annual Caps.

The Directors (excluding the Interested Directors but including the independent non-executive Directors) are of the view that the terms of the transactions contemplated under the Framework IT Support Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its shareholders as a whole. The Directors (excluding the Interested Directors but including the independent non-executive Directors) also confirm that the Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

The Group has implemented internal control measures to monitor the transactions contemplated under the Framework IT Support Agreement, including:

- (i) the sales team of the Group will review the relevant IT Support Services to be outsourced to sub-contractors in carrying out the Group’s IT infrastructure solution projects and obtain price quotations from the ServiceOne Group and at least two independent IT service providers (subject to practical availability and feasibility) from a list of pre-approved IT service providers, which is subject to periodic review and update by the management of the Group, taking into account factors including the relevant experience, capability and available resources of the IT service providers, to ensure the IT service providers’ quality standards;
- (ii) in determining whether the price quotation offered by the ServiceOne Group for providing the relevant IT Support Services is in line with those offered by the independent IT service providers, the sales team of the Group will compare the price quotation provided by the ServiceOne Group against the price quotations obtained from the independent IT service providers;
- (iii) in the event that the pricing terms offered by the ServiceOne Group are not considered to be comparable with the pricing terms offered by the independent IT service providers, the Group will not approve and accept the price quotation from the ServiceOne Group. The final acceptance of the price quotation provided by the ServiceOne Group shall be approved by the senior management of the Group;



- (iv) the finance department of the Group will monitor the amount of service fees paid by the Group to the ServiceOne Group for the IT Support Services on an ongoing basis to ensure that the Annual Caps are not exceeded;
- (v) regular meetings on quarterly basis will be held between the sales team and senior management of the Group to ensure that the Group is informed of all relevant operational and financial information in respect of the IT Support Services on a timely basis;
- (vi) the independent non-executive Directors will conduct an annual review with respect to the transactions contemplated under the Framework IT Support Agreement and confirm in the Company's annual report, whether pursuant to the requirements under the GEM Listing Rules, such continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms or better, and in accordance with the Framework IT Support Agreement on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole; and
- (vii) the auditor of the Company will conduct an annual review on the transactions contemplated under the Framework IT Support Agreement, including the pricing terms and the Annual Caps thereof in accordance with the GEM Listing Rules.

## **INFORMATION ON THE PARTIES**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares have been listed on the GEM since 12 April 2016.

The Company is an investment holding company. The Group is principally engaged in the provision of IT infrastructure solutions, IT infrastructure management services and in the development and provision of AI products and AI solutions for corporate and institutional customers in the Asia-Pacific region.

ServiceOne International is a company incorporated in the British Virgin Islands with limited liability, which is owned as to (i) 30% by ServiceOne Global; and (ii) 70% by the Group as at the date of the Framework IT Support Agreement and the date of this announcement.

ServiceOne International is an investment holding company. The ServiceOne Group is principally engaged in the provision of IT infrastructure management services, including IT outsourcing, helpdesk, workflow automation services, IT hardware maintenance and IT cybersecurity consulting services.

## **GEM LISTING RULES IMPLICATION**

Taking into consideration that as at the date of the Framework IT Support Agreement and the date of this announcement, (i) ServiceOne International is a non wholly-owned subsidiary of the Company; and (ii) the Shareholders Group is a substantial shareholder of the Company and owns approximately 93.5% of ServiceOne Global, which in turn owns 30% of ServiceOne International, ServiceOne International is a connected subsidiary of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Framework IT Support Agreement constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

The Aggregate Historical Amount amounted to HK\$2,783,000. Given that all of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Aggregate Historical Transactions is less than 5% and the Aggregate Historical Amount is less than HK\$3,000,000, the Aggregate Historical Transactions are fully exempted from the announcement, circular, reporting, annual review requirements and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

At the time of entering into the Framework IT Support Agreement on 28 March 2024, it was expected that the annual transaction amount in respect of the IT Support Services to be provided by the ServiceOne Group to the Group for each of the years ending 31 March 2025, 2026 and 2027 would not exceed HK\$3,000,000. However, as disclosed in the paragraph headed "The Framework IT Support Agreement — Annual Caps and basis" above, given that the increasing cybersecurity incidents in Hong Kong has heightened market awareness regarding information security and the need to strengthen protection against cyber threats, there has been a strong demand for cybersecurity consulting services, including security risk assessments and audits, thereby offering business opportunities for the Company. Since the last quarter of 2024, the Group has experienced a substantial increase in purchase orders for cybersecurity consulting services from both institutional and corporate customers. This trend is expected to lead to a significant rise in the Group's demand for the IT Support Services from the ServiceOne Group. It is currently expected that the maximum aggregate annual transaction amount in respect of the IT Support Services to be provided by the ServiceOne Group to the Group for each of the three years ending 31 March 2025, 2026 and 2027 would be more than HK\$3,000,000 as estimated by the Group when the Framework IT Support Agreement was entered into. As such, the Group has revised and formulated the Annual Caps for the three years ending 31 March 2025, 2026 and 2027 as HK\$5,400,000, HK\$8,100,000 and HK\$9,900,000 respectively.

As all of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Annual Caps are more than 5% but less than 25% but the annual consideration pursuant to the Framework IT Support Agreement is more than HK\$3,000,000 but less than HK\$10,000,000, the transactions contemplated under the Framework IT Support Agreement are subject to the announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.



## DEFINITIONS

“Aggregate Historical Amount”	the total service fees incurred by the Group to the ServiceOne Group for the IT Support Services provided by the ServiceOne Group to the Group during the period from 1 April 2024 to the date of this announcement
“Aggregate Historical Transactions”	all the transactions in relation to the provision of IT Support Services by the ServiceOne Group to the Group during the period from 1 April 2024 to the date of this announcement
“Annual Caps”	the maximum aggregate annual transaction values in respect of the continuing connected transactions contemplated under the Framework IT Support Agreement for the three years ending 31 March 2025, 2026 and 2027
“Board”	the board of Directors
“Company”	Expert Systems Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM (stock code: 8319)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	the directors of the Company
“Framework IT Support Agreement”	the framework IT support agreement dated 28 March 2024 entered into between the Company and ServiceOne International, in relation to the provision of IT Support Services by the ServiceOne Group to the Group from 1 April 2024 to 31 March 2027
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and the connected persons of the Company
“IT Support Services”	the IT support services as defined in the paragraph headed “The Framework IT Support Agreement — Subject matter” in this announcement
“Macau”	the Macau Special Administrative Region of the PRC

“Mr. Chan”	Mr. Chan Kin Mei Stanley, an executive Director and a member of the Shareholders Group
“Mr. Cheung”	Mr. Cheung Nap Kai, a member of the Shareholders Group
“Mr. Chu”	Mr. Chu Siu Sum Alex, a non-executive Director and a member of the Shareholders Group
“Mr. Lau”	Mr. Lau Wai Kwok, the chief executive officer of the Company, an executive Director and a member of the Shareholders Group
“Mr. Mok”	Mr. Mok Chu Leung Terry, a member of the Shareholders Group
“Mr. Ng”	Mr. Ng Lai Yick, an Independent Third Party to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry
“Mr. Wong”	Mr. Wong Chu Kee Daniel, the chairman of the Company, a non-executive Director and a member of the Shareholders Group
“Ms. Wong”	Ms. Wong Siu Ying, an Independent Third Party to the best of the Directors’ knowledge, information and belief having made all reasonable
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“ServiceOne Global”	ServiceOne Global Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which (a) owns 30% of ServiceOne International; and (b) is owned as to (i) 30% by Top Classic Ventures Limited (which is owned as to 90.0% by the Shareholders Group (i.e. 35.2% by Mr. Chu, 15.6% by Mr. Mok, 15.6% by Mr. Cheung, 10.0% by Mr. Wong, 10.0% by Mr. Lau and 3.6% by Mr. Chan) and 10.0% by Ms. Wong); and (ii) 70% by China Expert Systems Limited (which is owned as to 95.0% by certain members of the Shareholders Group (i.e. 40.0% by Mr. Chu, 17.5% by Mr. Cheung, 17.5% by Mr. Mok, 10.0% by Mr. Lau and 10.0% by Mr. Wong) and 5.0% by Mr. Ng) as at the date of the Framework IT Support Agreement and the date of this announcement
“ServiceOne Group”	ServiceOne International and its subsidiaries from time to time

“ServiceOne International”	ServiceOne International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to (a) 30% by ServiceOne Global; and (b) 70% by the Group as at the date of the Framework IT Support Agreement and the date of this announcement
“Shareholders Group”	refers to Mr. Chu, Mr. Lau, Mr. Mok, Mr. Cheung, Mr. Wong and Mr. Chan, who collectively own approximately 70.6% of the Company and approximately 93.5% of ServiceOne Global as at the date of the Framework IT Support Agreement and the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

On behalf of the Board  
**Expert Systems Holdings Limited**  
**Wong Chu Kee Daniel**  
*Chairman and non-executive Director*

Hong Kong, 20 January 2025

*As at the date of this announcement, the Board comprises of (1) Executive Directors: Mr. Lau Wai Kwok, Mr. Chan Kin Mei Stanley, Ms. Lau Tsz Yan and Mr. So Cheuk Wah Benton; (2) Non-executive Directors: Mr. Wong Chu Kee Daniel and Mr. Chu Siu Sum Alex; and (3) Independent non-executive Directors: Mr. Au Yu Chiu Steven, Mr. Ko Man Fu and Mr. Mak Wai 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 be published on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk), the GEM website at [www.hkgem.com](http://www.hkgem.com), on the “Latest Listed Company Information” page for at least seven days from the date of its posting and the Company’s website at [www.expertsystems.com.hk](http://www.expertsystems.com.hk).*