

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



**BoardWare**

**BoardWare Intelligence Technology Limited**

**博維智慧科技有限公司**

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

**(Stock Code: 1204)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**FINANCIAL HIGHLIGHTS**

Revenue of the Group increased from approximately HK\$580.8 million for FY2022 to approximately HK\$717.6 million for FY2023, representing an increase of approximately 23.6% as compared to that of FY2022.

Gross profit of the Group increased from approximately HK\$100.4 million for FY2022 to approximately HK\$115.6 million for FY2023, representing an increase of approximately 15.1% as compared to that of FY2022.

Profit for the year increased from approximately HK\$3.2 million for FY2022 to approximately HK\$4.5 million for FY2023, representing an increase of approximately 40.6% as compared to that of FY2022.

Net profit margin of the Group remains at 0.6% for both FY2022 and FY2023.

Basic earnings per Share attributable to the Shareholders increased from approximately HK0.78 cents for FY2022 to approximately HK0.90 cents for FY2023, representing an increase of approximately 15.4% as compared to that of FY2022.

As at 31 December 2023, cash and cash equivalents of the Group amounted to approximately HK\$28.7 million (31 December 2022: approximately HK\$105.5 million).

The board (the “**Board**”) of directors (the “**Directors**”) of BoardWare Intelligence Technology Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 (“**FY2023**”) with the comparative figures for the year ended 31 December 2022 (“**FY2022**”) as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth the Group’s consolidated statement of profit or loss and other comprehensive income for the years indicated:

	<i>Notes</i>	<b>2023</b> <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Revenue	3	<b>717,595</b>	580,833
Cost of sales and services		<b>(601,948)</b>	(480,481)
<b>Gross profit</b>		<b>115,647</b>	100,352
Other income		<b>8,169</b>	5,692
Distribution and selling expenses		<b>(32,323)</b>	(24,567)
Administrative expenses		<b>(71,842)</b>	(58,614)
Research and development expenses		<b>(10,037)</b>	(6,688)
Impairment losses under expected credit loss model, net of reversal		<b>(453)</b>	991
Other expenses		–	(8,616)
Exchange (loss) gain, net		<b>(885)</b>	379
Finance costs	5	<b>(830)</b>	(2,253)
<b>Profit before tax</b>		<b>7,446</b>	6,676
Income tax expense	7	<b>(2,944)</b>	(3,428)
<b>Profit for the year</b>	6	<b>4,502</b>	3,248
<b>Other comprehensive income (expense)</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Gain on revaluation of property		<b>710</b>	–
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operation		<b>(207)</b>	(2,442)
Other comprehensive income (expense) for the year		<b>503</b>	(2,442)
<b>Total comprehensive income for the year</b>		<b>5,005</b>	806

	<i>Note</i>	<b>2023</b> <b><i>HK\$'000</i></b>	2022 <i>HK\$'000</i>
Profit (loss) for the year attributable to:			
Owners of the Company		<b>4,502</b>	3,252
Non-controlling interests		–	(4)
		<u>4,502</u>	<u>3,248</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		<b>5,005</b>	810
Non-controlling interests		–	(4)
		<u>5,005</u>	<u>806</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>EARNINGS PER SHARE</b>	<b>9</b>		
Basic		<b>0.90</b>	0.78
Diluted		<b>N/A</b>	0.78
		<u>N/A</u>	<u>0.78</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets forth the Group's audited consolidated statement of financial position for the years indicated:

		As at 31 December	
		2023	2022
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		9,332	14,861
Investment property		4,939	–
Right-of-use assets		10,088	11,398
Intangible assets		776	1,582
Deferred tax assets		1,567	1,379
Finance lease receivables		9,941	8,736
Contract assets		7,352	8,669
Financial assets at fair value through profit or loss		109	–
Deposits and prepayments		29,617	18,585
Contract costs		–	36
		<u>73,721</u>	<u>65,246</u>
<b>Current Assets</b>			
Inventories		21,928	56,569
Deposits, prepayments and other receivables		65,936	57,013
Contract costs		3,901	2,826
Finance lease receivables		6,484	5,301
Contract assets		148,594	79,818
Trade receivables	10	179,906	147,447
Tax recoverable		883	–
Amount due from non-controlling interest		–	4
Pledged bank deposits		53,317	53,317
Cash and cash equivalents		28,733	105,519
		<u>509,682</u>	<u>507,814</u>
<b>Total Assets</b>		<u><b>583,403</b></u>	<u><b>573,060</b></u>

		<b>As at 31 December</b>	
		<b>2023</b>	<b>2022</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	12	<b>5,000</b>	5,000
Share premium and reserves		<b>331,028</b>	326,023
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>336,028</b>	331,023
Non-controlling interests		<b>–</b>	–*
		<hr/>	<hr/>
<b>Total Equity</b>		<b>336,028</b>	331,023
		<hr/>	<hr/>
<b>Non-current Liabilities</b>			
Lease liabilities		<b>4,018</b>	5,511
Contract liabilities		<b>2,807</b>	3,503
Deferred tax liabilities		<b>1,224</b>	–
		<hr/>	<hr/>
		<b>8,049</b>	9,014
		<hr/>	<hr/>
<b>Current Liabilities</b>			
Trade and other payables	11	<b>190,942</b>	135,553
Contract liabilities		<b>26,678</b>	84,735
Lease liabilities		<b>7,139</b>	6,647
Tax payable		<b>3,515</b>	6,088
Borrowings		<b>11,052</b>	–
		<hr/>	<hr/>
		<b>239,326</b>	233,023
		<hr/>	<hr/>
<b>Total Equity and Liabilities</b>		<b>583,403</b>	573,060
		<hr/> <hr/>	<hr/> <hr/>

\* *Less than HK\$1,000.*

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and the Company's shares (the "Shares") are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate parent is Tai Wah (BVI) Holdings Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Chao Ka Chon ("Mr. Chao"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company acts as an investment holding company. The principal activities of its subsidiaries are provision of professional IT services, managed services, IT equipment leasing, IT maintenance and consultancy services, and distribution and resale of packaged hardware and software in Macau, Hong Kong and the People's Republic of China (the "PRC"), for the sole purpose of this announcement, excluding Hong Kong, Macau and Taiwan.

The consolidated financial statements of the Group are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

#### New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **2.1 Impacts on application of Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022; and
- (ii) for leasing transactions in which the tax deduction are attributable to the lease liabilities, the Group also recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance.

## **2.2 Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies***

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies.

### Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE

	2023 HK\$'000	2022 HK\$'000
Revenue from contracts with customers	707,172	580,134
Leasing income from IT equipment	10,423	699
Total	<u>717,595</u>	<u>580,833</u>

#### (i) Disaggregation of revenue from contracts with customers

(a) An analysis of the Group's revenue by business line and nature is as follows:

	2023 HK\$'000	2022 HK\$'000
<b>Types of goods or services</b>		
<i>Enterprise IT solutions</i>		
Professional IT services (Note)	379,227	262,606
Managed services	27,715	24,255
IT maintenance and consultancy services	49,235	69,937
	<u>456,177</u>	<u>356,798</u>
<i>Distribution and resale</i>		
Distribution	123,372	143,879
Resale	127,623	79,457
Total	<u>250,995</u>	<u>223,336</u>

Note: An amount of HK\$371,039,000 (2022: HK\$259,790,000) included under professional IT services is recognised over time under input method by reference to the proportion of contract costs incurred to date to the estimated total costs.



- (b) An analysis of the Group's revenue by timing of satisfaction of performance obligation is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Timing of revenue recognition</b>		
A point in time	266,690	236,010
Over time	440,482	344,124
	<u>707,172</u>	<u>580,134</u>
Total	<u><b>707,172</b></u>	<u><b>580,134</b></u>

- (c) The following table sets out the Group's revenue from external customers by geographical location as determined by the country/region of domicile which the Group operates. The geographical location of revenue of the Group is based on the physical location of assets through which the services were provided or the location at which the goods were delivered.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Macau	439,577	371,078
Hong Kong	145,550	167,944
The PRC	122,020	41,112
Others	25	–
	<u>707,172</u>	<u>580,134</u>
Total	<u><b>707,172</b></u>	<u><b>580,134</b></u>

#### 4. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment focuses on revenue analysis by products and services. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

- (a) The Group's operations are located in Macau, Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets other than financial instruments and deferred tax assets is presented based on the physical location of the assets or the location of the operations to which they are allocated.

	Revenue from external customers		Non-current assets	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Macau	450,000	371,777	30,552	22,724
Hong Kong	145,550	167,944	7,827	5,956
The PRC	122,020	41,112	10,734	14,948
Other	25	–	–	–
	<u>717,595</u>	<u>580,833</u>	<u>49,113</u>	<u>43,628</u>

- (b) Revenue from external customers for the corresponding years contributing 10% or more of the total revenue of the Group are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A	86,246	–*
Customer B	85,601	–*
	<u>          </u>	<u>          </u>

\* The corresponding revenue did not contribute 10% or more of the total revenue of the Group for FY2022.

## 5. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on borrowings	109	664
Interest on lease liabilities	703	472
Interest on financial liability for redeemable rights	–	1,091
Other finance costs	18	26
	<u>          </u>	<u>          </u>
	<u>830</u>	<u>2,253</u>

## 6. PROFIT FOR THE YEAR

**Profit for the year has been arrived at after charging (crediting):**

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditors' remuneration		
– Audit services	2,293	2,601
– Non-audit services	98	17
Amortisation of intangible assets	871	1,000
Cost of inventories sold and services provided	562,343	443,953
Depreciation of property, plant and equipment	5,861	4,329
Depreciation of right-of-use assets	9,103	7,351
Employee benefit expenses (including directors' emoluments and contributions to retirement benefits scheme)	112,149	90,221
Expense relating to short-term leases	175	290
Listing expenses	–	8,616
(Reversal of) write-down of inventories	(744)	1,475
Provision for onerous contract	–	1,893
	<u>          </u>	<u>          </u>

## 7. INCOME TAX EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current income tax		
– Macau Complementary Tax	1,914	3,210
– Hong Kong Profits Tax	–	888
	<hr/>	<hr/>
	1,914	4,098
Overprovision in prior years	(6)	(130)
	<hr/>	<hr/>
	1,908	3,968
Deferred taxation	1,036	(540)
	<hr/>	<hr/>
	2,944	3,428
	<hr/> <hr/>	<hr/> <hr/>

The Group's principal applicable taxes and tax rates are as follows:

### Macau

The entities within the Group incorporated in Macau are subject to Macau Complementary Tax at progressive rates ranging from 3% to 9% on the taxable income above 32,000 Macanese Pataca (“MOP”) but below MOP300,000, and thereafter at a fixed rate of 12%. For FY2023, the Macau tax authority introduced a one-time incentive that raised the tax-exempt income ceiling from MOP32,000 to MOP600,000. Consequently, profits surpassing MOP600,000 are subject to the standard 12% fixed tax rate.

### Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimate assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

### The PRC

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

## 8. DIVIDEND

No dividends was paid or proposed for ordinary shareholders (the “Shareholders”) by the Company during FY2023 and FY2022, nor has any dividend been proposed at the end of the reporting period in respect of FY2023 and FY2022.

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per Share is based on the Group's profit attributable to the owners of the Company of HK\$4,502,000 (2022: HK\$3,252,000) and the weighted average number of ordinary Shares calculated below.

	2023	2022
Weighted average number of ordinary Shares for the purpose of basic and diluted earnings per Share	<u>500,000,000</u>	<u>417,803,000</u>

No diluted earning per Share for FY2023 were presented as the Company has no dilutive potential ordinary Shares outstanding during the year.

The computation of diluted earnings per Share for FY2022 did not assume the exercise of redeemable rights attached to the Share issued to certain pre-initial public offerings investor, which were lapsed upon the listing of the Share on the Stock Exchange on 15 July 2022, as the exercise prices of those rights are higher than the average market prices of the Shares of the Company for FY2022.

## 10. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables		
Contracts with customers	181,513	149,253
Less: Allowance for credit losses	<u>(1,607)</u>	<u>(1,806)</u>
	<u>179,906</u>	<u>147,447</u>

As at 1 January 2022, trade receivables from contracts with customers amounted to HK\$188,803,000.

The credit terms of trade receivables granted by the Group are generally one to three months. The following is an aged analysis of trade receivables presented based on invoice dates:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Up to 3 months	112,883	114,727
Over 3 months and within 6 months	57,871	12,385
Over 6 months and within 1 year	5,376	4,058
Over 1 year	<u>5,383</u>	<u>18,083</u>
	<u>181,513</u>	<u>149,253</u>

As at 31 December 2023, included in trade receivables are bills amounting to HK\$5,547,000 (31 December 2022: nil) that were discounted to bank on a full recourse basis. Since the substantial risks and rewards of the ownership of the bills have not been transferred taking into account the credit quality of the issuing counterparties, the Group continues to recognise the full carrying amount of those discounted receivables and has recognised the associated liabilities as borrowings. All bills received by the Group are with a maturity period of less than one year.

## 11. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	174,165	116,385
Salaries payable	9,933	10,148
Accrued expenses	4,343	4,235
Other taxes payable	113	785
Other payables	2,388	2,107
Provision for onerous contract	–	1,893
	<u>190,942</u>	<u>135,553</u>

Trade payables are unsecured and are usually paid within one to three months from recognition.

The following is an aged analysis of trade payables presented based on the invoice date:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	121,497	83,283
Over 1 month and within 3 months	41,035	26,314
Over 3 months and within 1 year	11,605	6,702
Over 1 year	28	86
	<u>174,165</u>	<u>116,385</u>

## 12. SHARE CAPITAL

	Number of Shares <i>'000</i>	Nominal value of Shares <i>HK\$'000</i>
Ordinary Shares of HK\$0.01 each		
<b>Authorised</b>		
At 1 January 2022	38,000	380
Additions during the year ( <i>Note (i)</i> )	9,962,000	99,620
	<u>10,000,000</u>	<u>100,000</u>
At 31 December 2022 and 31 December 2023	<u>10,000,000</u>	<u>100,000</u>
<b>Issued and fully paid</b>		
At 1 January 2022	11,142	–
Shares issued pursuant to the Capitalisation Issue ( <i>Note (ii)</i> )	374,988,858	3,750
Shares issued under the Global Offering ( <i>Note (iii)</i> )	125,000,000	1,250
	<u>500,000,000</u>	<u>5,000</u>
At 31 December 2022 and at 31 December 2023	<u>500,000,000</u>	<u>5,000</u>

*Notes:*

- (i) Pursuant to the meeting of the board dated 20 June 2022, the authorized share capital of the Company was increased from HK\$380,000 divided into 38,000,000 Shares of par value of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each by the creation of an additional 9,962,000,000 Shares of par value of HK\$0.01 each.
- (ii) On 15 July 2022, the Capitalisation Issue pursuant to the Shareholders' resolution dated 20 June 2022 was effected. The Company issued 374,988,858 Shares at par value of HK\$0.01 each to the then Shareholders on 15 July 2022, by way of capitalisation of an amount of HK\$3,749,889 to the credit of the share premium account of the Company ("**Capitalisation Issue**").
- (iii) On 15 July 2022, the Company issued a total of 125,000,000 ordinary Shares at a price of HK\$1.08 per share upon the completion of the Global Offering. The number of total issued Shares increased to 500,000,000 Shares upon completion of the Capitalisation Issue and the Global Offering.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW AND OUTLOOK

As an information technology (“IT”) solutions provider and authorised distributor, the Group introduces IT products and services, and provides related IT solutions to the local markets, including Macau, Hong Kong and the PRC. The Group also distributes IT products to IT solutions providers and resellers. The Group had extended its footprint to the Greater Bay Area to identify new business opportunities since FY2021, which has led to a remarkable increase in the revenue contribution from the PRC over the past few years. In addition to maintaining the Group’s current competitive edge in the Macau market, the Group will also focus on enlarging its market share in both Hong Kong and the PRC in coming years.

The potential demands of various IT solutions resumed along with the end of the influence from COVID-19 pandemic. The Group expects the demand of IT solutions in Greater Bay Area will sustain for the following reasons:

- (a) the Group was accredited as one of the top three key technology enterprises under the “Certification Programme for Technology Enterprises” in Macau during FY2023. The accreditation strengthens the leading position and elevated the reputation of the Group in Macau, which enables the Group to attract more businesses. In addition, the Group also conducted a product launch during FY2023 with the support from the government of Macau Special Administrative Region (“**Macau SAR**”);
- (b) the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (the “**Zone**”) officially started closed-loop operation on 1 March 2024. Under the closed-loop operation, goods that meet certain conditions are exempt from tax when entering the Zone through the “first line”. Imported goods entering the PRC through the “second line” are taxed according to existing regulations. The tax-free arrangement in the Zone enhances the competitiveness of the Group by lowering the price of IT solutions and products;
- (c) the government of Macau SAR set the new requirements on gaming operator license relating to investments on non-gaming industries aiming at diversifying away from its reliance on gaming industry, the Group expects to be benefited indirectly from the increasing demand for IT solutions and products relating to the investments from those gaming operators in the coming years. For FY2023, the Group signed a contract with one of the gaming operators to foster the development of digital economy among small and medium-sized enterprises (“**SME**”) in Macau. The scopes of the contract consist of (i) construction of a Software as a Service (“**SaaS**”) platform; (ii) development of related mobile applications; and (iii) maintenance of dynamic data storage hub for SME in Macau; and

- (d) the government of Macau SAR reinforced its policies of the “1+4” adequate diversification development strategy to enrich Macau’s function as “One Centre” for integrated tourism and leisure, while facilitating the development of four nascent industries, namely the “Big Health” industry; modern financial services; high technology; and conferences and exhibitions, commerce and trade, and culture and sports in “2024 Policy Address”. It also emphasised the importance of the integration of various technologies with traditional industries like tourism and gaming industries so as to create new experiences for tourists in the future. The Group expects the demand of IT solutions in the above industries will increase along with the increasing influence of IT elements in their business operations and related support policy from the government of Macau SAR.

The following emerging business opportunities in Macau and Greater Bay Area also offer a platform for the Group to expand its business:

### **Supportive governmental policies in promoting smart city**

The government of Macau SAR has been actively promoting the development of smart city for several years. According to the “Government of Macau SAR Five Years Development Plan (2024–2028)” published in October 2023, “Transformation and upgrading of high-tech industries and traditional industries” has been introduced to develop new economy growing point by (i) strengthening the business development and policy supports to IT enterprises in Macau; (ii) enhancing the existing legal framework relating to IT industries; (iii) collaborating with Hengqin on the share of talents, resources and IT infrastructure; and (iv) enhancing the quality of the services and products from traditional industries with the assistance of new technologies. The overall direction aims to (i) create a more supportive environment for the research and development (“R&D”) activities by offering preferential policies and providing consultancy supports to IT enterprises; (ii) foster the R&D activities to develop high-tech industries by partnering with various tertiary institutions in Macau and the PRC; and (iii) promoting Macau internationally by bridging Portuguese-speaking countries and the PRC through leveraging its competitive advantages.

### **Implementation of Internet of Things (“IoT”) network**

The “Outline of Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area” (《粵港澳大灣區發展規劃綱要》) aims to build up a smart urban agglomeration. In order to facilitate the development of smart city within the Greater Bay Area, the government of Macau SAR has invested extensive resources to conduct R&D on the implementation of the IoT network over the years. As a result, along with the development of 5G network and supportive governmental policies, the rapid development of IoT in Macau will directly drive the demand for IT solutions in coming years.



## **Development of Fin-tech and e-commerce services**

In May 2020, People’s Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission and State Administration of Foreign Exchange issued “Opinions on Financial Support for The Construction of The Guangdong-Hong Kong-Macao Greater Bay Area” (《關於金融支持粵港澳大灣區建設的意見》) which stated the development direction and emphasised the cooperation of financial institutions within Greater Bay Area. In response to the development goal, the government of Macau SAR will provide financial incentives to local small and medium enterprises and help them develop e-Commerce and cross-border e-Commerce business, as well as popularising digital payment system.

## **R&D of Artificial Intelligence of Things (“AIoT”) and Brain-Computer Interface (“BCI”) teams in metaverse technology**

The generation of the internet is transforming from Web 2.0 to Web 3.0, which will provide more customised and individual experiences to users together with the Artificial Intelligent (“AI”) technology.

To embrace the forthcoming business opportunities from the development and widespread application of Web 3.0, the Group continues to build up its own features and functions in AI technology.

During FY2023, the Group continued its process in developing a new technology platform and products with BCI features, which could create synergy on the existing IT solutions and products offered by the Group and such technology could be widely integrated to products from other fields, including but not limited to, healthcare, smart auto-mobile, smart home and smart wearable devices.

In the early of FY2023, the Group has relocated its existing AIoT team and BCI team to a newly established wholly-owned subsidiary incorporated in the PRC, namely Barco Technologies Limited\* (“**Barco**”), which specialises in (i) developing brain-computer interaction and related sense technology and sensory-induced electroencephalography signal acquisition technology; and (ii) developing own ecosystem which could be widely applied in different products under Web 3.0 era.

As at 31 December 2023, the Group had 56 employees (as at 31 December 2022: 57 employees) in R&D department. During FY2023, the Group had registered more than 20 software copyrights for related technologies under China National Intellectual Property Administration. The Group will adjust the number of headcount under R&D department in accordance with the latest progress of product development. The Group will also recruit scientists and talents to the R&D department for BCI and AI by offering competitive remuneration packages. To facilitate sustainable R&D activities of the Group, the Group will continue seek for possible short-term and long-term financing sources to support the funding needs.

\* *For identification purpose only*

Over the FY2023, Barco successfully developed the BCI headband which can integrate with various application scenarios, including wheelchairs, metaverse and gaming applications. The BCI headband is currently under the stage of features' optimisation. Users can connect with designated application scenarios through the device seamlessly. In addition, the Group signed a cooperation framework agreement with Baidu Group to foster the development of the construction of BCI based metaverse application scenarios.

For FY2023, Barco entered into a contract relating to metaverse content of Solitary Beauty Peak in Guilin, one of the popular tourism cities in Guangxi province. The scope of the project is to create a virtual scene for Solitary Beauty Peak in Guilin and allow users to enter the virtual scene for immersive tourism experience by using BCI headband and AI technology.

The Group has substantially completed phase 1, relating to the construction of metaverse application scenario for Solitary Beauty Peak in Guilin, for FY2023 and is currently under the development stage for phase 2, relating to the integration of BCI technology to the metaverse application scenario, up to date of this announcement.

On top of a joint laboratory between the Group and Guangdong Institute of Intelligence Science and Technology, namely BrainVerse Digitalisation Laboratory, which was established in FY2022, Barco also entered into an agreement in FY2023 to build a joint laboratory with Beihang University, which mainly focuses on the development of additional features and furthering new technologies as well as new applications with AIoT, BCI and AI technology. The Group believes such technologies will be the new development trend in IT and will be widely applied in various industries with the increasing awareness from the world. It also helps diversify the existing businesses by building up a new business driver for the Group.

### **Opportunities in the PRC**

During FY2023, the Group entered into a non-legally binding memorandum of understanding with SCB Global Capital Holdings Limited (the “**Vendor**”) with the intention to indirectly acquire the land use right to develop an internet data centre situated in Pinggu, Beijing (the “**Proposed Investment**”). The Group believed the Proposed Investment will create value to the customers and Shareholders by further diversifying and extending the current business of the Company in the PRC. For the details of the Proposed Investment, please refer to the related announcement of the Company dated 20 October 2023.

As of the date of this announcement, the Group is still under the progress of finalising the formal sale and purchase agreement with the Vendor. The Company will make appropriate announcement(s) as and when appropriate in due course.

## **BUSINESS REVIEW**

During FY2023, the Group continuously maintained its leading position in the Macau IT solutions market by providing comprehensive and high-quality end-to-end enterprise IT solutions as well as distribution and resale business to customers under various industry sectors in Macau, Hong Kong and the PRC.

The Group endeavoured to capture the resumed demands from the recovery of the economy from the pandemic to expand its market share in Macau, Hong Kong and the PRC during FY2023, resulting in an increase in the revenue from approximately HK\$580.8 million for FY2022 to approximately HK\$717.6 million for FY2023, representing an increase of 23.6% as compared to that of FY2022.

During FY2023, the Group achieved promising progress in expanding its business in the PRC, in which the revenue generated from the PRC increased from approximately HK\$41.1 million for FY2022 to approximately HK\$122.0 million for FY2023. On the other hand, the Group also benefited from the steady revenue source from managed services and IT maintenance and consultancy services due to their recurring nature.

### **Enterprise IT solutions**

The revenue from enterprise IT solutions increased from approximately HK\$356.8 million for FY2022 to approximately HK\$456.2 million for FY2023. Such increase was mainly attributable to the increase in the revenue from professional IT services by approximately HK\$116.6 million resulting from the increase in the number of contracts in Macau and the PRC.

For FY2023, the government of Macau SAR reinforced its direction on integrating IT elements with local traditional industries in “Policy Address 2024”, the Group expects company users, especially those from non-IT industries, would actively upgrade or implant IT elements into their existing businesses, which would drive the demand of enterprise IT solutions in coming years. The Group will focus on enhancing the existing IT solution with AI elements and digital contents which enable the Group to maintain its competitive advantage in IT industry and create new experiences to users.

## **Distribution and resale**

During FY2023, the Group continuously acted as a distributor by partnering with system vendors or their authorised distributors in the sale and distribution of a selected range of hardware and associated system relating to corporate mobility and cybersecurity solutions in Hong Kong. In addition, the Group also procured different IT products for resale to fulfill the needs from different customers in Macau, Hong Kong and the PRC. Resulting from the recovery of the economy from the COVID-19 pandemic, the revenue from distribution and resale increased from approximately HK\$223.3 million for FY2022 to approximately HK\$251.0 million for FY2023, which was attributable to the increase in the number of resale orders in Macau, Hong Kong and the PRC.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group increased by approximately HK\$136.8 million or 23.6% to approximately HK\$717.6 million for FY2023 from approximately HK\$580.8 million for FY2022. The increase was attributable to the aggregate effect of the increase in revenue generated from the enterprise IT solutions business by approximately HK\$116.6 million and the increase in revenue generated from distribution and resale business by approximately HK\$27.7 million. For explanations of such change in revenue, please refer to the section headed “Business Review” in this announcement.

### **Cost of sales and services**

Cost of sales and services of the Group increased by approximately HK\$121.4 million or 25.3% to approximately HK\$601.9 million for FY2023 from approximately HK\$480.5 million for FY2022. The extent of the increase in cost of sales and services was greater than that of the revenue for FY2023 and the reason was mainly due to the lower gross profit margin for contracts with significant contract sum in the PRC. There is no significant change in the mix of cost of sales and services for both periods.

### **Gross profit and gross profit margin**

Gross profit of the Group increased by approximately HK\$15.2 million or 15.1% to approximately HK\$115.6 million for FY2023 from approximately HK\$100.4 million for FY2022. Such increase was attributable to the increase in the revenue derived from both enterprise IT solution and distribution and resale. However, gross profit margin of the Group decreased from 17.3% for FY2022 to 16.1% for FY2023, which was mainly attributable to the increase in the weight of revenue derived from the contracts with lower gross profit margin in the PRC.

## **Other income**

Other income of the Group increased by approximately HK\$2.5 million or 43.9% to approximately HK\$8.2 million for FY2023 from approximately HK\$5.7 million for FY2022. The increase was primarily attributable to the increase in the government grant received by the Group relating to research and development activities in the PRC.

## **Distribution and selling expenses**

Distribution and selling expenses of the Group increased by approximately HK\$7.7 million or 31.3% to approximately HK\$32.3 million for FY2023 from approximately HK\$24.6 million for FY2022. The increase was mainly attributable to the increase in the salaries payable and commission expenses payable to salespersons resulting from the increasing revenue and the expansion of the marketing team in Hong Kong for FY2023.

## **Administrative expenses**

Administrative expenses of the Group increased by approximately HK\$13.2 million or 22.5% to approximately HK\$71.8 million for FY2023 from approximately HK\$58.6 million for FY2022. The increase was mainly attributable to the increase in entertaining and travelling expenses for the business development together with the increase in the depreciation of property, plant and equipment and right of use assets for the expansion of business in Macau, Hong Kong and the PRC.

## **Research and development expenses**

Research and development expenses of the Group increased by approximately HK\$3.3 million for FY2023. It mainly represents the relevant costs incurred by AIoT and BCI teams established in the PRC, which specialise in the development of core technologies widely applied in metaverse experience, including three-dimension reconstruction, haptic feedback, iris recognition technology, artificial intelligence, IoT, and edge computing, aiming to develop a metaverse eco-system for new users' experience and enhance the existing IT solutions provided by the Group in the future.

## **Other expenses**

Other expenses of the Group of approximately HK\$8.6 million for FY2022 represented the listing expenses, in which no such expenses were incurred for FY2023.

## **Finance costs**

Finance costs of the Group decreased by approximately HK\$1.5 million or 65.2% to approximately HK\$0.8 million for FY2023 from approximately HK\$2.3 million for FY2022. The decrease was mainly attributable to the decrease in finance costs relating to the financial liability with redeemable right which was lapsed and derecognised in FY2022.

## **Income tax expense**

Income tax expense of the Group decreased by approximately HK\$0.5 million or 14.7% to approximately HK\$2.9 million for FY2023 from approximately HK\$3.4 million for FY2022. The decrease was mainly attributable to the decrease in the unrecognised tax loss in the PRC. The effective tax rate for FY2023 and FY2022 are approximately 39.5% and 51.3%, respectively.

## **Profit for the year**

As a result of the foregoing reasons, profit for the year of the Group for FY2023 increased by approximately HK\$1.3 million or 40.6% to approximately HK\$4.5 million for FY2023 from approximately HK\$3.2 million for FY2022.

## **TREASURY POLICY**

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout FY2023. The Group strives to reduce exposure to credit risk by assessing the potential customer's credit quality, define credit limit by customer and conduct regular meetings and reviews on the overdue status of the customers. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Company to finance the Group's operations and meet its short-term and long-term funding requirements.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group financed its operations mainly through a combination of cash flow from operations and borrowings. As at 31 December 2023, the Group had cash and cash equivalents of approximately HK\$28.7 million (31 December 2022: approximately HK\$105.5 million) that were mainly denominated in HK\$, MOP, Renminbi ("RMB") and United States dollar ("US\$"). The decrease in the cash and cash equivalents is mainly attributable to (i) the increase in contract assets resulting from the fulfillment of contracts; and (ii) increase in prepayments, deposits and other receivables arising from the operations for FY2023.

The gearing ratio of the Group as at 31 December 2023, which was calculated based on the total borrowings as at the respective dates, was approximately 3.3% (31 December 2022: nil). As at 31 December 2023, the Group had total borrowings of approximately HK\$11.1 million (31 December 2022: nil), which mainly comprised of secured bank borrowings of approximately HK\$5.5 million and financial liabilities on bills discounted with recourse of approximately HK\$5.5 million (31 December 2022: nil). As at 31 December 2023, the Group had total lease liabilities of approximately HK\$11.2 million (31 December 2022: approximately HK\$12.2 million), of which short-term lease liabilities amounted to approximately HK\$7.1 million (31 December 2022: approximately HK\$6.6 million).

## **FOREIGN EXCHANGE RISK**

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. For commercial transactions, the exposure to foreign exchange risk is minimal as the majority of subsidiaries of the Group operates in Macau and Hong Kong with most of the transactions denominated and settled in HK\$.

For assets and liabilities, a majority of the monetary assets and liabilities are denominated in HK\$, MOP and US\$, and the foreign exchange risk is considered minimal as these currencies are pegged. The Group considers Macau and Hong Kong subsidiaries are exposed to minimal foreign exchange risk from insignificant amounts of monetary assets and liabilities denominated in RMB.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimise these exposures through close monitoring. The Group did not carry out any hedging activities against its foreign currencies' during FY2023 and FY2022.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 31 December 2023, the Group had capital commitments of approximately HK\$1,252,000 (31 December 2022: nil) relating to capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statement.

As at 31 December 2023 and 2022, the Group did not have any significant contingent liabilities.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

There was no significant investment, material acquisition or disposal of subsidiaries and affiliated companies by the Group during FY2023. Save for the future plans as disclosed under the section headed "Future Plans and Use of Proceeds" in the Prospectus, there was no plan for material investments or capital assets as at 31 December 2023.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2023, we employed a total of 287 employees (including four executive Directors and excluding one non-executive Director and three independent non-executive Directors), as compared to a total of 249 employees as at 31 December 2022. The remuneration packages that the Group offers to its employees include salary, commissions, discretionary bonuses, pension scheme and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff costs incurred by the Group for FY2023 were approximately HK\$112.1 million compared to approximately HK\$90.2 million for FY2022. Various on-the-job trainings were provided to the employees based on their job duties' needs.

The remuneration of the Directors is decided by the Board upon recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

## **PLEDGE OF ASSETS**

As at 31 December 2023, the bank deposit of approximately HK\$53.3 million (31 December 2022: approximately HK\$53.3 million) was restricted for securing banking facilities and a bank guarantee requested by a supplier. The bill receivables of approximately HK\$5.5 million (31 December 2022: nil) were discounted to bank on a full recourse basis. The Group also pledged the investment property with the fair value of approximately HK\$4.9 million for the existing borrowings in the PRC (31 December 2022: nil).

## **EVENTS AFTER THE REPORTING PERIOD**

There were no other significant events after the end of the reporting period and up to the date of this announcement that either request adjustment to the financial statement or are material to the understanding of the Group's current position.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during FY2023 and up to the date of this announcement.

## **DIVIDEND**

The Board has resolved not to recommend the declaration of final dividend for FY2023 (FY2022: nil).



## **SUFFICIENCY OF PUBLIC FLOAT**

According to the information that is publicly available to the Company and to the best knowledge of the Board, as at the date of this announcement, the Company has maintained the public float of not less than 25% of the issued Shares as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## **CORPORATE GOVERNANCE PRACTICES**

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Company has adopted the code provisions stated in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Except for the deviation from provision C.2.1 of the Corporate Governance Code, the Company’s corporate governance practices have complied with the Corporate Governance Code for FY2023. Under code provisions C.2.1 of Appendix C1 to the Listing Rules, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Chao is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Chao has been responsible for the day-to-day management of the Group since 2010 and the steady development of the Group, the Board believes that with the support of Mr. Chao’s extensive experience and knowledge in the business of the Group, vesting the roles of both chairman and chief executive officer in Mr. Chao strengthens the consistent and solid leadership of the Group, thereby allowing efficient business planning and decision which is in the best interest of the Group and the Shareholders as a whole.

The Directors consider that the deviation from provision C.2.1 of the Corporate Governance Code is appropriate in such circumstances. Notwithstanding the above, the Board is of the view that the current management structure is effective for the operations, and sufficient checks and balances are in place. The Board will continue to review the effectiveness of the corporate governance structure of the Company in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

## USE OF PROCEEDS

The net proceeds (the “**Net Proceeds**”) from the listing amounted to approximately HK\$93.0 million after deducting the underwriting fees and commissions and other listing expenses borne by the Company. As at 31 December 2023, the Directors are not aware of any material change to the planned use of proceeds as set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 29 June 2022 (the “**Prospectus**”). The Company will use the Net Proceeds raised from the global offering on 15 July 2022 (“**Global Offering**”) in accordance with the intended application of the Net Proceeds as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

During the second half of FY2023, the usage of the Net Proceeds was slightly higher than the intended usage as disclosed in the interim report published by the Company on 20 September 2023, mainly due to the acceleration of the hiring of staff for the expansion of business in the PRC and strategic investments in relation to Barco.

An analysis of the planned usage of the Net Proceeds as stated in the Prospectus and the actual utilisation of the Net Proceeds up to 31 December 2023 are set out below:

Use of proceeds	Percentage of total Net Proceeds	Allocation of Net Proceeds <i>HK\$ million</i> <i>(Note)</i>	Actual use of proceeds up to 31 December 2023 <i>HK\$ million</i>	Unutilised Net Proceeds as at 31 December 2023 <i>HK\$ million</i>
Capturing business opportunities in the Greater Bay Area	43.8%	40.7	34.2	6.5
Upfront costs of two enterprise IT solution projects	30.4%	28.3	–	28.3
Strengthening the product development capabilities	15.8%	14.7	11.8	2.9
General working capital	10.0%	9.3	9.3	–
<b>Total</b>	<b>100.0%</b>	<b>93.0</b>	<b>55.3</b>	<b>37.7</b>

*Note:* As disclosed in the Prospectus, the estimated Net Proceeds after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the Global Offering, were approximately HK\$104.8 million, which was revised to approximately HK\$94.1 million as disclosed in the Company’s offer price and allotment results announcement dated 14 July 2022. The actual Net Proceeds received by the Company were approximately HK\$93.0 million. The Company intends to adjust the difference of approximately HK\$1.1 million to the business strategies in the same proportion as the original funds applied as shown in the Prospectus.

As at 31 December 2023, the unutilised Net Proceeds amounted to approximately HK\$37.7 million. Such unutilised Net Proceeds are intended to be applied in the same manner and the same proportion as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The expected schedule for utilisation of the unutilised Net Proceeds is set out below:

	<b>2024Q1</b> <i>HK\$ million</i>	<b>2024Q2</b> <i>HK\$ million</i>	<b>Sub-total</b> <i>HK\$ million</i>
Capturing business opportunities in the Greater Bay Area	6.5	–	6.5
Upfront costs of two enterprise IT solution projects	–	28.3	28.3
Strengthening the product development capabilities	2.9	–	2.9
General working capital	–	–	–
	<u>9.4</u>	<u>28.3</u>	<u>37.7</u>

The expected timeline for the utilisation of the unutilised Net Proceeds above is based on the Director’s best estimation barring any unforeseen circumstances, and may be subject to change based on the future development of market conditions. Should there be any change in the intended use of the unutilised Net Proceeds, the Company will make appropriate announcement(s) in due course.

Save as disclosed above, the Group has no other update on the use of Net Proceeds up to the date of this announcement. The Directors will constantly evaluate the Group’s business objectives and specific needs from time to time.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities. Having made specific enquiries with all the Directors, all the Directors confirmed that they have complied with the Model Code during FY2023.

## **AUDIT COMMITTEE**

The Company has established its Audit Committee (the “**Audit Committee**”) on 20 June 2022 in compliance with Rule 3.21 of the Listing Rules and with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the then Appendix 14 to the Listing Rules). The Audit Committee consists of three independent non-executive Directors, namely Mr. Man Wing Pong, Mr. U Seng Pan and Mr. Suen Chi Wai. Mr. Man Wing Pong has been appointed as the chairman of the Audit Committee and he possesses the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules. The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting process and internal control procedures of the Group, and to develop and review the policies and procedures for corporate governance and make recommendations to the Board.

## **REVIEW OF ANNUAL RESULTS**

The annual results of the Group for FY2023 have been reviewed by the Audit Committee, including the accounting principles and practices adopted by the Group. Based on their review and discussions with the management of the Company, there is no disagreement by the Audit Committee with the accounting treatment adopted by the Group and the Audit Committee was satisfied that the annual results were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for FY2023.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

The register of members of the Company will be closed from Monday, 17 June 2024 to Thursday, 20 June 2024, both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Company’s forthcoming annual general meeting (the “**AGM**”) scheduled to be held on Thursday, 20 June 2024. In order to be eligible to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share register in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 14 June 2024.

Circular containing the details of the AGM will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.boardware.com](http://www.boardware.com)), and will be despatched to the Shareholders in due course.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual result announcement of the Company is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.boardware.com](http://www.boardware.com)). The annual report of the Company for FY2023 containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the aforesaid websites in due course.

By order of the Board  
**BoardWare Intelligence Technology Limited**  
**Chao Ka Chon**  
*Chairman and Executive Director*

Hong Kong, 26 March 2024

*As at the date of this announcement, the Board comprises Mr. Chao Ka Chon, Ms. Chiu Koon Chi, Ms. Lei Sok Han and Mr. Ng Hong Kei as executive Directors; Mr. Li Haodong as non-executive Director; and Mr. Man Wing Pong, Mr. U Seng Pan and Mr. Suen Chi Wai as independent non-executive Directors.*