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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

Revenue of the Group increased from approximately HK$318.1 million for FP2024 to approximately HK$321.4 million for FP2025, representing an increase of approximately HK$3.3 million or 1.0% as compared to that of FP2024.

Gross profit of the Group increased from approximately HK$65.8 million for FP2024 to approximately HK$69.9 million for FP2025, representing an increase of approximately HK$4.1 million or 6.2% as compared to that of FP2024.

Profit for the period of the Group decreased from approximately HK$1.0 million for FP2024 to approximately HK$0.8 million for FP2025, representing a decrease of approximately HK$0.2 million or 20.0% as compared to that of FP2024.

Net profit margin of the Group for FP2025 decreased from approximately 0.3% to approximately 0.2%, representing a decrease of approximately 0.1 percentage point as compared to that of FP2024.

Basic earnings per Share attributable to the Shareholders decreased from approximately HK0.21 cent for FP2024 to approximately HK0.16 cent for FP2025, representing a decrease of approximately HK0.05 cent or 23.8% as compared to that of FP2024.

As at 30 June 2025, cash and cash equivalents of the Group amounted to approximately HK$33.3 million (31 December 2024: approximately HK$85.9 million).

The board (the "**Board**") of directors (the "**Directors**") of BoardWare Intelligence Technology Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 ("**FP2025**") with the comparative figures for the corresponding period in 2024 ("**FP2024**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	3	**321,440**	318,109
Cost of sales and services		**(251,554)**	(252,341)
Gross profit		**69,886**	65,768
Other income		**5,590**	5,837
Distribution and selling expenses		**(20,551)**	(20,751)
Administrative expenses		**(41,883)**	(41,394)
Research and development ("**R&D**") expenses		**(8,944)**	(6,725)
Impairment losses under expected credit loss model, net of reversal		**(929)**	(168)
Exchange loss, net		**(1,384)**	(270)
Share of results of joint ventures		**(24)**	–
Finance costs	5	**(921)**	(564)
Profit before tax		**840**	1,733
Income tax expense	6	**(55)**	(695)
Profit for the period	7	**785**	1,038
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operation		**606**	(721)
Other comprehensive income (expense) for the period		**606**	(721)
Total comprehensive income for the period		**1,391**	317
		HK cents	*HK cents*
Earnings per share	9		
– Basic		**0.16**	0.21

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**As at 30 June 2025** ***HK$'000*** **(Unaudited)**	As at 31 December 2024 *HK$'000* (Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment		**25,449**	27,839
Investment property		**4,769**	4,681
Right-of-use assets		**8,946**	14,925
Intangible assets		**2,571**	2,166
Interests in joint ventures		**6**	15
Deferred tax assets		**499**	612
Finance lease receivables		**5,506**	5,799
Contract assets		**8,154**	8,926
Trade receivables	10	**1,622**	–
Financial assets at fair value through profit or loss		**109**	109
Deposits paid for purchase of property, plant and equipment		**10,721**	–
Deposits and prepayments		**7,373**	9,212
		75,725	74,284
Current Assets			
Inventories		**18,837**	13,472
Deposits, prepayments and other receivables		**66,788**	81,639
Contract costs		**7,379**	8,487
Finance lease receivables		**4,913**	6,047
Contract assets		**153,505**	141,255
Trade receivables	10	**165,612**	163,871
Amount due from a joint venture		**28**	–
Pledged bank deposits		**89,819**	10,734
Cash and cash equivalents		**33,267**	85,872
		540,148	511,377
Total Assets		**615,873**	585,661

	Notes	As at 30 June 2025 HK$'000 (Unaudited)	As at 31 December 2024 HK$'000 (Audited)
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	11	**5,000**	5,000
Share premium and reserves		**332,338**	330,947
Total Equity		**337,338**	335,947
Non-current Liabilities			
Lease liabilities		**3,426**	5,759
Contract liabilities		**9,373**	7,847
Deferred tax liabilities		**45**	56
Borrowings	13	**4,796**	–
		17,640	13,662
Current Liabilities			
Trade and other payables	12	**165,301**	178,195
Contract liabilities		**49,602**	33,047
Amount due to a joint venture		**30**	15
Lease liabilities		**5,510**	9,024
Tax payable		**1,026**	1,075
Borrowings	13	**39,426**	14,696
		260,895	236,052
Total Liabilities		**278,535**	249,714
Total Equity and Liabilities		**615,873**	585,661

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its 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 addresses of the registered office in the Cayman Islands and the principal place of business in Hong Kong of the Company are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and Unit 01–02, 12/F., Tower I, Enterprise Square, No. 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong, respectively.

The Company acts as an investment holding company. The principal activities of its subsidiaries are provision of IT integrated solution services ("**Professional IT services**"), support services from leasing contracts and security monitoring 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 Mainland China.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standard Board ("**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange (the "**Listing Rules**").

2.2 Accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for FP2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024 ("**FY2024**").

Application of amendments to an IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**321,440**	316,485
Lease income from IT equipment	**–**	1,624
Total	**321,440**	318,109

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Enterprise IT solutions		
Professional IT services	**119,644**	127,966
Managed services	**24,270**	20,612
IT maintenance and consultancy services	**26,881**	25,348
	170,795	173,926
Distribution and resale		
Distribution	**58,027**	77,654
Resale	**92,618**	64,905
	150,645	142,559
Total	**321,440**	316,485

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

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
A point in time	**163,585**	151,898
Over time	**157,855**	164,587
Total	**321,440**	316,485

Geographical markets

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.

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Macau	**222,691**	225,177
Hong Kong	**75,457**	82,405
Mainland China	**23,292**	8,903
Total	**321,440**	316,485

4. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, 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.

Geographical information

The Group's operations are located in Macau, Hong Kong and Mainland China.

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	
	Six months ended 30 June		As at 30 June	As at 31 December
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Macau	**222,691**	225,177	**46,248**	40,147
Hong Kong	**75,457**	82,405	**6,180**	8,125
Mainland China	**23,292**	8,903	**11,217**	14,638
	321,440	316,485	**63,645**	62,910

Information about major customers

Revenue from external customers for the corresponding periods contributing 10% or more of the total revenue of the Group are as follows:

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**42,879**	64,593
Customer B	**–***	37,665

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the current period.

5. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on borrowings	**649**	288
Interest on lease liabilities	**251**	272
Other finance costs	**21**	4
	921	564

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
– Macau Complementary Tax	**–**	515
– Hong Kong Profits Tax	**–**	9
	–	524
Overprovision in prior years	**(47)**	(51)
	(47)	473
Deferred taxation	**102**	222
	55	695

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%. During FP2025, the Macau tax authority introduced a one-time incentive that raised the tax-exempt income ceiling from MOP300,000 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.

Mainland China

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of subsidiaries in Mainland China is 25% for both periods.

7. PROFIT FOR THE PERIOD

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

	For the six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Auditors' remuneration		
– Audit services	**1,050**	1,151
– Non-audit services	**212**	62
Amortisation of intangible assets	**323**	405
Depreciation of property, plant and equipment	**5,328**	3,182
Depreciation of right-of-use assets	**4,328**	4,489
Employee benefit expenses (including directors' emoluments and contributions to retirement benefits scheme)	**73,673**	66,364
Expense relating to short-term leases	**143**	212
Write-down of inventories	**12**	456

8. DIVIDEND

No dividends were paid, declared or proposed during FP2025. The Directors have determined that no dividend will be paid in respect of the interim period (for FP2024: nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the Group's profit attributable to the owners of the Company of HK$785,000 (for FP2024: HK$1,038,000) and the weighted average number of ordinary shares calculated below.

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**500,000,000**	500,000,000

No diluted earning per share for both periods were presented as the Company has no dilutive potential ordinary shares outstanding during the periods.

10. TRADE RECEIVABLES

	As at 30 June 2025 *HK$'000* (Unaudited)	As at 31 December 2024 *HK$'000* (Audited)
Trade receivables		
Contracts with customers	**169,288**	165,176
Less: allowance for credit losses	**(2,054)**	(1,305)
	167,234	163,871
Analysed as:		
Current	**165,612**	163,871
Non-current	**1,622**	–
	167,234	163,871

The credit terms of trade receivables granted by the Group are generally 1 to 3 months. The following is an analysis of trade receivables by age, presented based on invoice dates:

	As at 30 June 2025 *HK$'000* (Unaudited)	As at 31 December 2024 *HK$'000* (Audited)
Up to 3 months	**111,224**	103,282
Over 3 months and within 6 months	**41,232**	37,922
Over 6 months and within 1 year	**9,537**	16,529
Over 1 year	**7,295**	7,443
	169,288	165,176

11. SHARE CAPITAL

	Number of Shares *'000*	**Nominal value of Shares** *HK$'000*
Ordinary Shares of HK$0.01 each		
Authorised		
At 1 January 2024 (Audited), 31 December 2024 (Audited) and 30 June 2025 (Unaudited)	10,000,000	100,000

	Number of Shares *'000*	**Nominal value of Shares** *HK$'000*
Issued and fully paid		
At 1 January 2024 (Audited), 31 December 2024 (Audited) and 30 June 2025 (Unaudited)	500,000	5,000

12. TRADE AND OTHER PAYABLES

	As at 30 June 2025 ***HK$'000*** **(Unaudited)**	As at 31 December 2024 *HK$'000* (Audited)
Trade payables	**148,479**	155,092
Salaries payable	**7,939**	13,853
Accrued expenses	**5,060**	5,014
Other taxes payable	**1,222**	892
Other payables	**2,601**	3,344
	165,301	178,195

Trade payables are unsecured and are usually paid within 1 to 3 months from recognition.

The following is an analysis of trade payables by age, presented based on the invoice date.

	As at 30 June 2025	As at 31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 1 month	**111,569**	135,498
Over 1 month and within 3 months	**17,297**	11,912
Over 3 months and within 1 year	**19,566**	7,527
Over 1 year	**47**	155
	148,479	155,092

13. BORROWINGS

	As at 30 June 2025	As at 31 December 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
The carrying amounts of bank borrowings are repayable:		
Within 1 year	**39,426**	14,696
Within a period of more than 1 year but not exceeding 5 years	**4,796**	–
	44,222	14,696

The exposure of the Group's borrowings are as follows:

Denominated in	**Interest rate per annum**	**As at 30 June 2025**	As at 31 December 2024
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
HK$	Prime Rate minus 1.50%	**5,656**	–
RMB	Loan Prime Rate minus 0.40%	**5,450**	–
RMB	Fixed rate at 2.60% (2024: fixed rate at 2.60%)	**33,116**	14,696
		44,222	14,696

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW AND OUTLOOK

Information technology ("**IT**") solutions involve the design, supply, integration, operation and maintenance of IT systems. IT solutions could be primarily categorised into two segments, namely (i) enterprise IT solutions and (ii) distribution and resale of hardware and software. Enterprise IT solutions could be further grouped as (i) Professional IT services, (ii) Managed services and (iii) IT maintenance and consultancy services.

As an 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 Mainland China, and provides IT solution services covering procurement and integration, Managed services and maintenance services to the end users in Macau, Hong Kong and Mainland China. The Group has extended its footprint to Mainland China since 2021.

With the economic transformation and the recent rapid development of AI technology in Macau, Hong Kong and Mainland China, more and more enterprises applied or planned to use digitalisation and AI-related products and solutions for their operation and marketing, which has brought significant demand to the IT industry:

(a) as a result of the transformation of the economy and the popularisation of digitalisation in the Greater Bay Area, local enterprises have planned to increase their investment in IT infrastructure renovation and new IT upgrade projects. At the same time, with the local government's strong promotion of digitalisation and economic transformation, more and more local enterprises have utilised digital tools such as digital platforms, advanced systems and smart devices more extensively in order to improve their operational efficiency and expand their customer acquisition channels. The Group expects the demand for IT solutions and related products will increase following the popularisation of digital transformation among the enterprises in the Greater Bay Area;

(b) as the six gaming operators in Macau had committed to invest and support the development of non-gaming industries in Macau in coming years under the requirement of the new gaming concession contract, together with the increasing efforts from the government of Macau to diversify the economy away from its reliance on gaming industry, the Group will still benefit indirectly from the increasing demand for IT solutions arising from those operators' investments in the coming years. Besides, since some of the operators had already benefit from the application of smart table solutions, the operators are now accelerating their investment in intelligent equipment and solutions to respond to rapidly changing market demands and cater to the preferences of younger customers, the Group will also benefit from such rising trend in the gaming industry; and

(c) the government of Macau reinforced its policies on 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 the "2024 Policy Address". It also emphasised the importance of the integration of various technologies with traditional industries such as tourism and gaming industries so as to create new experiences for tourists in the future. The Group expects the demand for IT solutions in the above industries will increase along with the increasing influence of IT elements in business operations under the related supportive policies from the government of Macau.

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

Policy-driven innovation and repeated accolades

Macau government's "Development Plan for Appropriate Economic Diversification of the Macau Special Administrative Region (2024–2028)" outlines several targeted measures to support technology companies, aiming to foster innovation, enhance competitiveness, and integrate Macau into regional technology ecosystems. These include creating financial incentives and the funding channel by providing the subsidies via the Science and Technology Development Fund of Macau ("**FDCT**") for R&D particularly in priority sectors including AI, big data, blockchain and smart city application as well as the tax incentives to the technology companies investing in technology innovation by reducing corporate taxes or exemptions. The strategy encourages Macau IT companies to intensify industry-academia-research co-operation with the higher education institutions in Macau and Mainland China, which will accelerate talent development and technology transfer between Macau and Mainland China. By deepening these partnerships, the initiatives target to achieve the enhancement of solution integration capabilities by building the technology ecosystem integration across Macau and Mainland China.

The Group has seized opportunities arising from economic transformation and the widespread adoption of digitalisation, actively aligned with government policies, and gained extensive recognition. Following the certification of the Group's subsidiary, BoardWare Information Limited, in 2023 as one of the first three highest-level "Key Technology Enterprises" by the Economic and Technological Development Bureau of Macau, in 2024, the Group was awarded the "Merit Medal for Commerce and Industry" by the Macau government, a testament to its outstanding contributions to technology research and development, further highlighting its leading position as a premier local technology enterprise in Macau.

Meanwhile, benefiting from the policy support provided by Macau government and the Guangdong-Macau In-Depth Cooperation Zone authorities in Hengqin for Macau-funded enterprises, during FP2025, the first wholly-owned subsidiary in Hengqin, BoardWare Information System (Zhuhai) Limited*, was honored to be among the first enterprises to be awarded the "Comprehensive Contribution Award" on the third anniversary of the establishment of the Hengqin Guangdong-Macau Deep Cooperation Zone, and obtained a certification as "Specialized and Sophisticated SME" from the Guangdong Provincial Department of Industry and Information Technology. These accolades not only affirm the achievements of the Group's development strategy in Mainland China but also serve as high recognition of our continuous innovation, professional services, and outstanding contribution to the regional economy. Moving forward, we will continue to uphold high standards of corporate excellence, deepen our roots in the Chinese market, and create sustainable value for our shareholders.

Macau's gaming industry's intelligent transformation drives growth

As a global leader in gaming and tourism, Macau's gaming industry is driving growth through intelligent digital transformation, increasing its investments in smart technologies to enhance operational efficiency and customer engagement. To seize the opportunity resulting from such increasing investments, the Group will focus on developing customised IT products and IT solutions. These include deploying AI-driven operational intelligence – such as machine learning-based dynamic pricing, real-time customer volume forecasting, and risk control systems – to optimise resource allocation, reduce costs, and boost profit margins. The Group will also focus on immersive experience innovation through integrating AR/VR and digital twin technologies to create interactive entertainment scenarios, elevating customer spending and differentiation. Additionally, the Group is upgrading its collaboration models to extended collaboration models, shifting from single-project delivery to full-cycle "system integration + data service" partnerships, and expanding into smart campus management and cross-border data solutions. The Group believes the solution related to the intelligent transformation will drive the growth of the Group's business in coming years.

R&D investments fuel AI and brain-computer interface ("BCI") breakthroughs

Recent advancements in BCI and AI are driving significant progress in scientific and technological innovation, industrial development, and even daily life globally, particularly in medical and consumer applications. The Group has been focusing on the R&D of BCI and AI technologies in recent years.

During FP2025, Barco Technologies Limited* ("**Barco**"), a wholly-owned subsidiary of the Company, has made significant progress on three key products – (i) AI smart glasses; (ii) BarcoSense BCI AI Glasses; and (iii) BarcoSense AI Glasses Pro – a brain-computer multimodal glasses. The major design and development phase for these products has been completed, including their physical appearance, embedded hardware and software, and a companion mobile app for cultural tourism. A functional experience device has also been

* *For identification purpose only*

delivered. Major advancements were achieved in BCI technology, with completed embedded systems for attention EEG, development of client and server software, and design of an unsupervised attention EEG algorithm. The team also designed a basic state perception paradigm and created the first version of a multimodal sensor electrode structure. The Group believes these products will support future business diversification.

In FY2024, the Group established the Innovative Research and Development Department (the "**IR&D team**") in Macau, specializing in AI-related R&D. Funded by subsidies from FDCT, the team conducted technical research on "R&D on key technologies of new personalised controllable dressing and dynamic display system" and "R&D of rapid 3D modeling and universal interface systems for cultural and tourism scenarios", among others. The latter resulted in one academic paper and two patent applications. The team also completed a preliminary full-stack large-scale model native architecture and platform using open-source technologies, intended to support future AI-native services and MaaS offerings for customers. The Group expects these services to enhance the competitiveness of its enterprise IT solutions businesses.

Meanwhile, progress has been made in virtual digital human interaction. A visual AI large language model interactive prototype application and a digital human ordering interactive application – MUSE, which includes cross-platform digital human interactive technology – were developed during FP2025. In addition, data processing and model post-training of MUSE was completed, which was capable of restaurant ordering scenario. The Group has engaged with several cultural tourism clients and believes MUSE will unlock new opportunities for IT solutions in this industry.

Opportunities in Mainland China

Central government policies and the strategic advantages of the Hengqin Guangdong-Macau In-Depth Cooperation Zone offer transformative opportunities for the Macau-funded enterprises, including leveraging policy benefits such as cross-border data flow pilots and tax incentives to expand the operations and develop cross-border data services in Mainland China. Through industrial synergy, collaboration with mainland partners enables co-development of localised solutions like IoT and digital healthcare platforms, while tapping into national "new infrastructure" initiatives. Additionally, regional expansion allows Macau-funded enterprises to replicate its smart tourism expertise in Mainland China cultural tourism markets via the Hengqin hub, fostering cross-border integration.

The Group would also identify potential business opportunities, including but not limited to extending the Group's current business model to cities outside the Greater Bay Area and developing new business models, which could help further diversify the Group's business and expand the Group's business footprint in Mainland China.

With the further integration of the Greater Bay Area and the increasing openness of national policies to support the integrated development of Macau and Hengqin, the Cyberspace Administration of China and the Macau government signed a memorandum of understanding on cross-border data cooperation at the end of last year. This will bring new growth points to the Group's business, especially by further leveraging the policy advantages of Hengqin, accelerating the cross-border flow of data between Macau and Hengqin, and creating more application scenarios for customers, thereby driving demand for IT and other technological applications.

Furthermore, the Group has established a joint venture in Hengqin with a Zhuhai-based property developer to repurpose an existing office building into the "Macau (Hengqin) International Data Center*" (the "**Data Center**"). The Data Center, which is expected to be operated in partnership with a leading domestic telecommunications operator, is strategically aligned with three key objectives: supporting Macau's appropriate economic diversification, facilitating regulatory and institutional integration between Hengqin and Macau, and contributing to national development strategies. The Data Center aims to become a secure, efficient, and innovative hub for cross-border data services, supporting the development of an integrated computing network in the Greater Bay Area. The Company will make further announcement on this as and when appropriate.

Looking ahead, as the Executive Committee of the Hengqin Guangdong-Macau In-Depth Cooperation Zone progressively implements policies enabling cross-border data flow, the "Macau Platform + Hengqin Space" model will accelerate the establishment of an international digital trade hub. This will enhance physical infrastructure connectivity – "Hard Connectivity", regulatory and institutional alignment – "Soft Connectivity", and social integration between Macau and Hengqin – "People Connectivity". The Data Centre will actively explore an innovative model integrating "Macau Data + Hengqin Computing Power + Greater Bay Area Application Scenarios", providing robust momentum for Hengqin's development as an international digital trade hub.

BUSINESS REVIEW

During FP2025, the Group continuously provided IT comprehensive and high-quality end-to-end enterprise IT solutions as well as conducting distribution and resale business to customers under various sectors in Macau, Hong Kong and Mainland China, especially the Greater Bay Area.

Revenue of the Group for FP2025 increased from approximately HK$318.1 million to approximately HK$321.4 million, representing an increase of approximately HK$3.3 million or 1.0% as compared to that of FP2024. The increase was attributable to the net effect of increase in revenue from distribution and resales by approximately HK$8.0 million or 5.6% and decrease in revenue from enterprise IT solution by approximately HK$3.1 million or 1.8% during FP2025.

* *For identification purpose only*

Benefiting from the intelligent transformation of Macau's gaming industry and the rapid recent development of the AI sector, our customers' demand for high-end customised products and AI solutions is increasingly growing. During FP2025, the Group entered into several relevant contracts with customers, and it is believed that these contracts will contribute significant revenue to the Group in the second half of 2025. Meanwhile, the Group will continue to allocate more resources to develop the related products and solutions, aiming to meet the needs of existing and potential customers with the most advanced technologies.

In addition, the Group will continuously expand its businesses in relation to Managed service and IT maintenance and consultancy service in Macau and Hong Kong. With the increasing investment in expanding business scale of these businesses and the higher retention rate of the existing customers, the number of contracts in relation to Managed services and IT maintenance and consultancy services experienced significant growth during FP2025. The Group believes that the revenue from such services will continuously contribute steady revenue in the future.

Enterprise IT solutions

The revenue from enterprise IT solutions decreased from approximately HK$173.9 million for FP2024 to approximately HK$170.8 million for FP2025. Such decrease was mainly attributable to the net effect of the decrease in the revenue from Professional IT services by approximately HK$8.3 million, the increase in the revenue from Managed service by approximately HK$3.7 million and the increase in the revenue from IT maintenance and consultancy services by approximately HK$1.5 million. The decrease in revenue from Professional IT services was mainly due to the decrease in the revenue from Professional IT service in Mainland China, whereby the existing Professional IT service contracts were completed in 2024 and the new contracts are at early project stage, and hence there are no significant revenue recognised during FP2025. The increase in revenue from Managed services and IT maintenance and consultancy services was mainly due to the increasing investment in expanding business scale of these businesses in recent years.

In response to the intelligent transformation of Macau's gaming industry, the Group has increased its resource investment in development of customised IT products and IT solutions. The Group believes the relevant products and solutions will bring more contracts to the Group, which will drive a remarkable business growth in future.

Distribution and resale

During FP2025, 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. With the rapid development of AI industry in Mainland China, the demand of GPU servers and compute resources related devices will be increasing in Macau, Hong Kong and Mainland China. The Group will continue to procure different IT products and endeavor to expand the channel for resale to fulfill the needs from different customers in Macau, Hong Kong and Mainland China to address the rising needs from customers.

Resulting from the abovementioned development of the Group, the revenue from distribution and resale increased from approximately HK$142.6 million for FP2024 to approximately HK$150.6 million for FP2025. Such increase was attributable to the net effect of the completion of a number of resales orders with large contract value received from customers in Macau and Mainland China during FP2025 and a number of distribution orders were outstanding up to the end of FP2025.

FINANCIAL REVIEW

Revenue

Revenue increased by approximately HK$3.3 million or 1.0% to approximately HK$321.4 million for FP2025 from approximately HK$318.1 million for FP2024. The increase was primarily attributable to the net effect of the decrease in revenue generated from the enterprise IT solutions business by approximately HK$3.1 million and the increase in revenue generated from distribution and resale business by approximately HK$8.0 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 decreased by approximately HK$0.7 million or 0.3% to approximately HK$251.6 million for FP2025 from approximately HK$252.3 million for FP2024. The decrease in cost of sales and services was mainly due to the increase in the weight of revenue recognised from Managed services during FP2025. Such increase was mainly resulted from the increasing investment in development of such business in recent years.

Gross profit and gross profit margin

Gross profit increased by approximately HK$4.1 million or 6.2% to approximately HK$69.9 million for FP2025 from approximately HK$65.8 million for FP2024. The increase in the gross profit was attributable to the increase in the weight of revenue recognised from Managed services during FP2025. As a result, the gross profit margin increased by approximately 1.0% from approximately 20.7% for FP2024 to approximately 21.7% for FP2025.

Other income

Other income decreased by approximately HK$0.2 million or 3.4% to approximately HK$5.6 million for FP2025 from approximately HK$5.8 million for FP2024. The decrease was attributable to the net effect of (i) the decrease in government grants by approximately HK$0.2 million due to the decrease in the government grants received in respect of the Group’s R&D projects during FP2025; (ii) increase in interest income on bank deposit by approximately HK$0.2 million due to the increase in fixed bank deposits placed in the bank in Macau and

Mainland China during FP2025; and (iii) decrease in incentives from vendors for marketing events by approximately HK$0.1 million due to less marketing events held in Hong Kong during FP2025.

Distribution and selling expenses

Distribution and selling expenses decreased by approximately HK$0.2 million or 1.0% to approximately HK$20.6 million for FP2025 from approximately HK$20.8 million for FP2024. The decrease was mainly attributable to the decrease in the salaries payable to the salespersons and commission expenses by approximately HK$1.2 million resulting from the reduction of sales and marketing team's headcount in Hong Kong and Mainland China.

Administrative expenses

Administrative expenses increased by approximately HK$0.5 million or 1.2% to approximately HK$41.9 million for FP2025 from approximately HK$41.4 million for FP2024. The increase was mainly attributable to the net effect of (i) the increase in the employee benefit expenses by approximately HK$1.1 million due to the increase in compensation paid to the staff being terminated during FP2025; (ii) the decrease in the depreciation of right-of-use assets by approximately HK$0.2 million due to the termination of two office rental in Mainland China during FP2025; (iii) the increase in depreciation of property, plant and equipment by approximately HK$0.8 million due to the depreciation of office renovation which was completed in FY2024; and (iv) the decrease in the entertainment and traveling expenses by approximately HK$0.8 million due to less business trips during FP2025.

R&D expenses

R&D expenses increased by approximately HK$2.2 million or 32.8% to approximately HK$8.9 million for FP2025 from approximately HK$6.7 million for FP2024. The increase was mainly attributable to the increase in employee benefit expenses by approximately HK$2.2 million due to the increase in R&D team's headcount in Macau, which specialise in AI technologies, compared with FP2024.

Finance costs

Finance costs increased by approximately HK$0.3 million or 50.0% to approximately HK$0.9 million for FP2025 from approximately HK$0.6 million for FP2024. The increase was mainly attributable to the increase in interest costs from bank borrowing of approximately HK$0.3 million resulting from the new borrowing raised from the bank in Mainland China during FP2025.

Income tax expenses

Income tax expenses decreased by approximately HK$0.6 million or 85.7% to approximately HK$0.1 million for FP2025 from approximately HK$0.7 million for FP2024. The decrease was mainly attributable to the decrease in profit before income tax by approximately HK$0.9 million or 52.9% to approximately HK$0.8 million for FP2025 from approximately HK$1.7 million for FP2024. The effective tax rate for FP2025 and FP2024 were approximately 6.5% and 40.1% respectively.

Profit for the period

As a result of the foregoing reasons, profit for the period of the Group for FP2025 decreased by approximately HK$0.2 million or 20.0% to approximately HK$0.8 million for FP2025 from approximately HK$1.0 million for FP2024.

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout FP2025. 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 30 June 2025, the Group had cash and cash equivalents of approximately HK$33.3 million (31 December 2024: approximately HK$85.9 million) that were mainly denominated in HK$, MOP, Renminbi ("**RMB**") and United States dollar ("**US$**"). The decrease in the cash and cash equivalents is mainly attributable to the net effect of (i) the increase in bank deposits pledged to the banks in Macau for bank facilities newly signed during FP2025; (ii) the drawdown of bank borrowing from the banks in the Macau and Mainland China during FP2025; and (iii) the decrease in prepayments, deposits and other receivables arising from the operations for FP2025.

The gearing ratio of the Group as at 30 June 2025, which was calculated based on the total borrowings as at the respective dates, was approximately 13.1% (31 December 2024: approximately 4.4%). The increase was mainly attributable to the increase in bank borrowing from the banks in Macau and Mainland China.

As at 30 June 2025, the Group had total borrowings of approximately HK$44.2 million (31 December 2024: approximately HK$14.7 million), of which short-term bank borrowings amounted to approximately HK$39.4 million (31 December 2024: approximately HK$14.7 million). The secured bank borrowings and unsecured bank borrowings amounted to approximately HK$38.7 million (31 December 2024: approximately HK$14.7 million) and approximately HK$5.5 million (31 December 2024: nil).

As at 30 June 2025, the Group had total lease liabilities of approximately HK$8.9 million (31 December 2024: approximately HK$14.8 million), of which short-term lease liabilities amounted to approximately HK$5.5 million (31 December 2024: approximately HK$9.0 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 operate 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 the subsidiaries located in Macau and Hong Kong 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 FP2025 and FP2024.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2025, the Group had approximately HK$8.3 million of capital commitments (31 December 2024: approximately HK$0.7 million) relating to capital expenditure in respect of the acquisition of property, plant and equipment, and intangible assets contracted for but not provided in the condensed consolidated financial statement. The increase in capital commitment was mainly attributable to the acquisition of computer equipment used for R&D activities in AI technologies.

As at 30 June 2025, the Group execute guarantees of approximately HK$155.0 million (31 December 2024: nil) in favour of banks in respect of facilities granted to subsidiaries. As at 30 June 2025, approximately HK$5.6 million (31 December 2024: nil) of the respective facilities had been utilised.

As at 30 June 2025 and 31 December 2024, 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 FP2025 and FP2024. There was no plan for material investments or capital assets as at 30 June 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 310 full-time employees (including three executive Directors and excluding one non-executive Director and three independent non-executive Directors), as compared to a total of 359 full-time employees (including four executive Directors and excluding one non-executive Director and three independent non-executive Directors) as at 30 June 2024. The remuneration packages that the Group offers to its employees include salary, commissions, discretionary performance 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 FP2025 were approximately HK$73.7 million compared to approximately HK$66.4 million for FP2024. Various on-the-job trainings were provided to the employees.

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 30 June 2025, the bank deposits of approximately HK$89.8 million (31 December 2024: approximately HK$10.7 million) were restricted for securing banking facilities and a bank guarantee requested by a supplier. The Group also pledged the investment property with the fair value of approximately HK$4.8 million for the existing borrowings in Mainland China (31 December 2024: approximately HK$4.7 million).

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 have purchased, redeemed or sold any of the Company's listed securities during FP2025 and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to recommend the declaration of any interim dividend for FP2025 (FP2024: 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 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 (the "**Corporate Governance Code**").

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 during FP2025 and up to the date of this announcement. Under code provisions C.2.1 of the Corporate Governance Code, 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 of the Company (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.

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 FP2025.

SUPPLEMENTAL INFORMATION IN RELATION TO THE 2024 ANNUAL REPORT

Reference is made to the Company's annual report for FY2024 (the "**2024 Annual Report**"). The Board would like to supplement the following additional information with respect to the use of proceeds from the global offering of the Company on 15 July 2022 (the "**Listing Date**") and its share option scheme (the "**Share Option Scheme**") as disclosed in the 2024 Annual Report. Unless the context requires otherwise, capitalised terms used under this paragraph shall bear the same meanings as defined in the 2024 Annual Report.

The following information does not affect other information contained in the 2024 Annual Report. Save as disclosed below, all other information in the 2024 Annual Report remains unchanged.

Use of Proceeds

The net proceeds from the global offering amounted to approximately HK$93.0 million after deducting the underwriting fees and commissions and other listing expenses borne by the Company and of which HK$37.7 million was brought forward to the FY2024, which has been fully utilised as at 31 December 2024 in the same manner and same portion as disclosed in the prospectus of the Company dated 29 June 2022 and the annual report of the Company for the year ended 31 December 2023.

Share Option Scheme

Exercise of option

An option may be exercised in accordance with the Share Option Scheme by the grantee at any time during a period to be determined and notice by the Directors to the grantee, which period may commence from the date of offer but shall end in any event not later than 10 years from the date of grant of the relevant options. Unless otherwise determined by the Directors and stated in the offer to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

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. The Audit Committee consists of 3 independent non-executive Directors, namely Mr. Man Wing Pong ("**Mr. Man**"), Dr. U Seng Pan and Mr. Suen Chi Wai. Mr. Man 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 INTERIM RESULTS

The interim results of the Group for FP2025 have been reviewed by the Audit Committee and by the external auditor.

PUBLICATION OF UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.boardware.com). The interim report of the Company for FP2025 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, 28 August 2025

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